CLECAT
european association for forwarding, transport, logistics and customs services

NEWSLETTER
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News from Brussels

CLECAT WELCOMES HOLISTIC APPROACH TO DECARBONISING THE TRANSPORT SYSTEM

On 20 July the European Commission published its Strategy on Low-Carbon Mobility, setting out a holistic action plan for decarbonising the transport sector, particularly in view of the EU’s 40% carbon emissions reduction target for 2030 and the goal of near-total decarbonisation of the European economy for 2050.

The main goals of the strategy include Increasing the efficiency of the transport system by making the most of digital technologies, smart pricing and further encouraging the shift to lower emission transport modes; speeding up the deployment of low-emission alternative energy for transport, such as advanced biofuels, electricity, hydrogen and renewable synthetic fuels and removing obstacles to the electrification of transport; and accelerating the transition towards low- and zero-emission vehicles.

CLECAT welcomes the new strategy. Nicolette van der Jagt, CLECAT’s Director General, said: “*CLECAT is glad to see the Commission pursuing a holistic approach to decarbonisation of the transport chain, taking into account low-carbon energy use, increased efficiency and innovative, intelligent management of the transport system.*

“Such a holistic approach should achieve a balance, offering the industry relevant alternatives without imposing a conflicting choice between costs and environmental benefits. It is vital that EU policy-makers and industry find the optimal and most efficient solutions for decarbonising transport, especially in terms of cost/benefit, so as to reduce transport’s climate footprint without harming the freight transport industry.”

It is vital for the EU to follow an overarching objective involving all means of transport, based on the development of the co-modality as well as the modernisation of each mode of transport, rather than punishing any one single mode.

Therefore, CLECAT welcomes the strategy's commitment to promoting multimodal integration, including modernisation of incentives for combined transport. CLECAT calls on the Commission to move forward with modernisation of the Combined Transport Directive and to ensure that it works flexibly and realistically, for instance by reviewing distance limitations.

We welcome the Commission's recognition that digital technologies can greatly aid the efficiency of the transport system and therefore emissions reduction. Connected IT systems have a great potential in ensuring a continuous, real-time flow of information along the supply chain, enabling smart logistics planning, so as to calculate the best solutions and the best routes in order to optimise vehicle and infrastructure use. The forthcoming Integrated Research, Innovation and Competitiveness Strategy for the Energy Union should pay particular attention to the benefits of smart infrastructure for efficient logistics and intermodal connections.

CLECAT notes the Commission's intention to modernise the EU's road charging framework in order to move towards distance-based systems, including all road users. CLECAT is of the view that road charges should reflect the environmental performance of vehicles to create incentives for the purchase and use of cleaner vehicles. Initiatives to charge for environmental costs will be far more acceptable to industry if the revenue generated from any related charges and taxes are earmarked.
CLECAT also calls on the Commission to respect a global approach to aviation and maritime emissions, avoiding regional unilateral measures which would upset the global framework and damage European trade.

CLECAT looks forward to working with the Commission in the development of the actions to implement the strategy, and urges the Commission to maintain a spirit of open cooperation with industry to ensure that the decarbonisation of the transport chain progresses in the interests of all.

Road

CONSULTATION ON REPORTING OF HDV FUEL CONSUMPTION AND CO2 EMISSIONS LAUNCHED

The above mentioned Strategy on low-emission mobility furthermore announces that the EU will also need to introduce measures to actively curb carbon dioxide emissions from lorries, buses and coaches. Therefore the Commission has launched a consultation on the Consultation on the preparation of legislation on monitoring / reporting of Heavy-Duty Vehicle fuel consumption and CO2 emissions.

Within road transport, which represents about 19% of total EU Greenhouse Gas (GHG) emissions, Heavy-Duty Vehicle (HDV) CO2 emissions represent 25% of GHG emissions, while representing only 5% of all vehicles in the EU, and some 5% of total EU GHG emissions and their share is expected to grow. While heavy-duty vehicles have been subject to similar air pollution standards as cars and vans, and are now required to meet them under real driving conditions, the EU has neither fuel efficiency standards for them, nor a carbon dioxide monitoring scheme as in the case of cars and vans.

Vehicle efficiency (both in terms of fuel consumption and CO2 emissions) is neither certified under the existing EU type-approval framework legislation for HDVs, nor monitored and reported. This represents an important "knowledge gap" on HDV fuel consumption and CO2 emissions.

The public consultation will prepare the ground for a proposal in this mandate. Tackling emissions from HDV interacts with several other overarching policies including: energy security (lower CO2 emissions meaning less fuel consumption and therefore reduced imports of fossil fuels); air quality (lower fuel consumption meaning fewer emissions of other pollutants); innovation and competitiveness (requirement for improved vehicle efficiency creating research and development into better technologies which enhances the EU's international industrial competitiveness).

The questionnaire addresses the following:

Part A addresses the preparation of the legislation on monitoring and reporting of HDV fuel consumption and CO2 emissions data. This part covers all key areas of the upcoming Impact Assessment. HDV CO2 and fuel efficiency certification legislation is being prepared in parallel.

Part B offers the first possibility for stakeholders to provide their views and input on the preparation of future standards as announced in the Communication on low-emission mobility.

For more information see DG CLIMA's website.

NEW PARTNERSHIP TO DRIVE PAPERLESS FREIGHT TRANSPORT ACROSS EUROPE AND BEYOND

IRU, the global road transport organisation, and TransFollow, the Netherlands-based innovative independent platform for electronic consignment notes built by, and for, the freight and logistics industry, are to build new communities, services and standards to drive paperless freight globally. The new partnership will put TransFollow at the heart of IRU and its member associations, bringing the industry together elsewhere in Europe and beyond to make international paperless freight a reality. "We have changed the traditional way of exchanging information for freight and logistics, by bringing the industry, its users and its suppliers together for everyone's benefit", said René Bruijne, Managing Director of TransFollow. An initiative of Dutch transport associations, and IRU members, TLN and EVO, TransFollow has over recent years become the standard provider of electronic consignment notes (CMRs) and digital proof-of-delivery in that country.

The platform lowers costs, simplifies operations, improves security, and helps reduce carbon emissions for road transport, logistics and supply chain operators. The partnership between IRU and TransFollow aims to strongly contribute to building a new global standard for digitally exchanging freight data in co-operation with all relevant stakeholders, accelerating acceptance of the electronic consignment note (eCMR) protocol of the UN's convention on transporting cargo by road. "Bringing the industry together to build an independent global standard for information exchange will deliver better visibility, transparency and efficiency in international supply chains" said Zeljko Jeftic, Head of Global Innovation at IRU. "We are finally making paper redundant for cargo, bringing road freight transport into the 21st century. We welcome co-operation with other stakeholders interested in developing global eCMR standards", he added. The neutral TransFollow platform is increasingly supported by third party suppliers to the logistics sector, for example those providing transport or warehouse management systems. With integration into existing third party systems and apps, end-users can join the platform and rapidly start using electronic consignment notes without significant investment

Source: IRU Press Release 18/7/2016

COMMISSION FINES TRUCK CARTEL €2.93BN

The European Commission has found that MAN, Volvo/Renault, Daimler, Iveco, and DAF broke EU antitrust rules. These truck makers colluded for 14 years on truck pricing and on passing on the costs of compliance with stricter emission rules. The Commission has imposed a record fine of € 2,926,499,000. MAN was not fined as it revealed the existence of the cartel to the Commission. All companies acknowledged their involvement and agreed to settle the case. Commissioner for competition, Margrethe Vestager, said: "We have today (19th July) put down a marker by imposing record fines for a serious infringement. In all, there are over 30 million trucks on European roads, which account for around three quarters of inland transport of goods in Europe and play a vital role for the European economy. It is not acceptable that MAN, Volvo/Renault, Daimler, Iveco and DAF, which together account for around 9 out of every 10 medium and heavy trucks produced in Europe, were part of a cartel instead of competing with each other.

For 14 years they colluded on the pricing and on passing on the costs for meeting environmental standards to customers. This is also a clear message to companies that cartels are not accepted." Road haulage is an essential part of the European transport sector and its competitiveness is contingent on the prices of the vehicles used by transporters. The decision relates specifically to the market for the manufacturing of medium (weighing between 6 to 16 tons) and heavy trucks (weighing over 16 tons).

The Commission's investigation revealed that MAN, Volvo/Renault, Daimler, Iveco and DAF had engaged in a cartel relating to:

- co-ordinating prices at "gross list" level for medium and heavy trucks in the European Economic Area (EEA). The "gross list" price level relates to the factory price of trucks, as set by each manufacturer. Generally, these gross list prices are the basis for pricing in the trucks industry. The final price paid by buyers is then based on further adjustments, done at national and local level, to these gross list prices
- the timing for the introduction of emission technologies for medium and heavy trucks to comply with the increasingly strict European emissions standards (from Euro III through to the currently applicable Euro VI)
- the passing on to customers of the costs for the emissions technologies required to comply with the increasingly strict European emissions standards (from Euro III through to the currently applicable Euro VI).

For the full press release see: European Commission, 19th July 2016

Maritime

VGM DISRUPTION 'LIMITED' IN FIRST TWO WEEKS, SAY FORWARDERS

The much-feared prospect of major ocean freight disruption under the new verified gross mass (VGM) international container-weighing rules introduced on 1 July has apparently not materialised in the first two weeks, according to international freight forwarding federation FIATA, although there has been some lengthening of transit times.

Jens Roemer, chairman of the Sea Transport working group within FIATA's Multimodal Transport Institute and member of the CLECAT Maritime Logistics Institute, told Lloyd's Loading List: "It seems the predicted chaos with containers not being shipped after 1 July 2016 has not materialised and that shippers and freight forwarders are working with the amendments to the SOLAS Convention (Safety of Life at Sea) in a positive way. No major problems have been reported to FIATA and the advisors to the FIATA Working Group Sea Transport have reported little disruption."

He continued: "There have, of course, been some minor teething issues as interfaces and platforms for the eVGM have often not been ready, and this has led to manual transfer. Another observation is that lead times are being extended for a variety of reasons. VGM cut offs tend to be earlier as compared to gate in closings, which is a problem for shippers that are located near a port."

This is because, for example, shippers or forwarders may pick up the empty in the early morning and return the loaded box to the terminal in the afternoon, but the VGM close time may be a day earlier, he explained.

"A VGM (obtained) under 'Method 1' cannot be provided in this timeframe and there is also a problem with 'Method 2' as you only have the container number in the morning during pick up, and without container number you do not have a tare weight – so, you lose one day in your supply chain or lead time," Roemer continued.

"Whilst there have not been major operational problems, freight forwarders have expressed concern that when dealing with reefer containers, their customers may face higher demurrage charges due to the limited free time offered," he also noted.

Lone Reventlov Ginge, product manager for sea freight at DSV Air & Sea, concurred with many of FIATA's observations, and said that, in general, things had been running quite smoothly in Denmark.
He observed that in most cases, only very large shippers were using 'Method 2' – adding the weight of the cargo and dunnage to the tare mass of the container – due to certain requirements in Denmark. "This means a lot of containers need to be weighed, and in Denmark is it mostly done in the ports," he noted. "The ports have a uniform way of handling VGM, and the set-up works efficiently, especially considering the many entities involved, and the different methods – and, not least, the many containers."

He continued: "It is our experience that the shippers in Denmark have been well prepared. We all understand the reason for the new requirements, and shippers have worked with us closely to have everything in place." But he also noted issues with extended lead times. "We sense the biggest frustration has been the earlier closings, which may have disrupted the normal flow for our shippers. This is now also settling, shippers working the new deadlines (if any) into their production. And some, perhaps a little conservative, VGM closings have been modified." He concluded: "In our opinion, though, a system where all containers as default were weighed upon gate-in at the ports, and this used as VGM, could have made things a bit simpler and more effective from the start."

Full article available at Lloyd's Loading List

Air

IATA AND FIATA ANNOUNCE NEW AIR CARGO PROGRAM

IATA and the FIATA are pleased to announce that an agreement has been signed by Tony Tyler, IATA's Director General and CEO and Huxiang Zhao, President of FIATA, to implement the IATA-FIATA Air Cargo Program (IFACP) to replace the existing IATA Cargo Agency Program.

Over the decades that the IATA Cargo Agency Program has operated; IATA Cargo Agents (freight forwarders) have evolved from being “selling-agents” for airlines to being their “purchasing-customers”. In consideration of this evolution, in 2012 IATA and FIATA joined forces to review, refine and re-engineer the existing Agency Program. The new program moves decision-making on the rules governing the airline-forwarder relationship away from an airline-led conference to a governance body - the IATA-FIATA Governance Board (IFGB) - jointly managed by forwarders and airlines, which reflects today’s market conditions.

“IATA and FIATA have reached an important agreement on a new jointly-managed air cargo program. This is the result of four years of hard work to modernize the relationship between freight forwarders and airlines. The IFACP also provides a framework to ensure that industry standards are relevant, pragmatic and fit for purpose. These standards cover the endorsement of freight forwarders and more broadly the safe, secure and efficient transportation of air cargo shipments”, said Aleks Popovich, IATA, Senior Vice President, Financial and Distribution Services.

“The Cargo Agency Program has long needed updating. I am really pleased that FIATA and IATA have joined forces to provide our industry with a new, modern program and a framework for operation that benefits both airlines and freight forwarders. IFACP will eliminate unnecessary administrative procedures and costs as well as free up valuable resources to tackle the complex challenges that today’s global trade presents.

These include regulatory compliance, safety and security and the introduction of new technologies. This agreement paves the way for a more successful future for the fastest and most fascinating mode of international transport”, remarked Mr. Rudi Sagel, Chairman of FIATA’s Airfreight Institute (AFI).

The phased rollout of IFACP will begin in early 2017 with Canada as the pilot country. It is anticipated that full global rollout will be completed by end of 2018. The public signature with the common endorsement of the agreement will take place at the October FIATA World Congress which will be held in Dublin, Ireland.

More information on the FIATA World Congress is available HERE.

Customs

PROGRESS REPORT ON EU STRATEGY AND ACTION PLAN FOR CUSTOMS RISK MANAGEMENT

On 19 July 2016, the Commission adopted a progress report and a staff working on EU Strategy and Action Plan for Customs Risk Management.

The report provides an overall qualitative assessment of the implementation of the Strategy. According to the report, the reform of customs risk management adapted to today's reality of increased volume and speed of international trade is a resource-intensive exercise. Although a large number of actions have been launched, progress has been uneven. It is most noticeable on actions which fall within the remit of customs despite the fact that insufficient financing to develop the required IT systems is a major issue. Progress has been slower for those actions requiring more cooperation between customs and other authorities. The Commission estimates that in view of today's risks to security, customs cooperation with other law enforcement and security authorities deserves more attention and needs to be brought forward.

It is also noted that the availability of resources to fully implement customs risk management as identified in the Strategy and Action Plan will require further in-depth consideration.

Source: DG TAXUD, more information is available here.

LAUNCH OF PHASE 3 OF THE SSTL PILOT PROJECT

On 15 July 2016, the joint administrative arrangement for Phase 3 of the Smart and Secure Trade Lanes (SSTL) Pilot Project was signed by the EU, China and Hong Kong at the headquarters of the World Customs Organization (WCO) in Brussels. The SSTL Pilot Project reunites the General Administration of China Customs and Hong Kong Customs with the customs authorities of eight EU Member States (Belgium, France, Germany, Italy, Netherlands, Poland, Spain, and United Kingdom) and the Directorate-General for Taxation and Customs Union of the European Commission, DG TAXUD. Seven additional Member States (Czech Republic, Greece, Hungary, Lithuania, Portugal, Romania, and Slovakia) as well as the WCO take part as observers.

As a reminder, the EU – China SSTL is a Pilot project between the EU and Asia which allows testing end-to-end supply chain security instruments and mechanisms in line with WCO SAFE Framework of Standards (FoS). It was launched in 2006 to test specific safety and security related recommendations of the WCO SAFE FoS as regards security measures applied to containers, facilitating 'Customs-to-Customs' data exchange, risk management cooperation, mutual recognition of customs controls and trade partnership programmes. In 2010, SSTL entered into a second phase with the aim to expand the project which involved selecting more complex lanes, the inclusion of non-AEO companies, and the expansion of risk management cooperation.

The aim of the phase 3 is to increase the share of goods traded between the participants covered by SSTL, and thus to have a substantial impact on overall supply chain security and trade facilitation between the EU and China. This involves notably expanding the scope of the pilot, both geographically as well as to air and rail transport, in addition to maritime transport; increasing the volume of consignments covered; and incorporating advanced risk management techniques and developing common risk rules.

Source: DG TAXUD, more information is available here.

Rail

ERA: CHANGES AFTER THE ADOPTION OF THE FOURTH RAILWAY PACKAGE

With the coming into force of the technical pillar of the Fourth Railway Package the European Railway Agency (ERA) has changed its name (and logo) to European Union Agency for Railways (EUAR) to reflect the changes contained in Regulation 2016/796.

A new strategic vision paper has been unveiled on the occasion, identifying the following targets:
1) Safety: Europe becoming the world leader in railway safety
2) Competitiveness: promoting rail transport to enhance its market share
3) Simplification: improving the efficiency and coherence of the railway legal framework
4) Efficiency: optimising EUAR capabilities
5) Objectivity: Transparency, monitoring and evaluation
6) Environment and Society: improve economic efficiency and societal benefits in railways

7) Global Reference: fostering EUAR reputation in the world

In the long run, but before 2030, the Agency has the following vision: "Multi-modal integrated transport is common, enabled by a digital agenda, with EUAR evolving to a European Land Transport Authority."
See also: http://www.era.europa.eu/Document-Register/Documents/Strategic_Vison_for_the_European_Railway_Agency.pdf

General

CONSULTATION ON GENDER EQUALITY IN TRANSPORT

Only 22 % of women work in the transport sector. This figure is well below the figure for the overall economy (46 %). Road and rail transport are the more unbalanced sectors with 86 % men workers. Air transport is more balanced with 62% male workers and 38 % female. There is also a strong imbalance between types of employees inside each sector. For instance in the rail sector, the share of women amounts to 60 % in the human resource department but only to 3% among drivers.

Commissioner Bulc, in charge of transport, in cooperation with Commissioner Jourova, in charge in particular of gender equality, aim to develop a policy to attract more women to work in the sector. Indeed, in addition to the benefits brought about by a more gender balanced working environment, we will soon face workforce shortages in the transport sector due to the ageing of the current workforce (a third of all transport workers are over 50 years old). It is already difficult to hire drivers. Besides, times have changed and automation/digitalisation bring about new opportunities for women.

As a first step, a seminar was held with a small group of experts on 21 April. Conclusions of the event are available at **http://ec.europa.eu/transport/themes/social/events/2016-04-21-women-in-tranport_en.htm.** During the seminar, the Slovak presidency proposed to put the issue on the agenda of the TTE Council of 1 December 2016. For their part, the Commission services envisage to prepare a Staff Working Document on the topic during the second half of 2017.

The Commission also launched a public consultation on gender equality in transport which is available HERE.

Forthcoming events

CLECAT MEETINGS

Customs and Indirect Taxation Institute
7 September, Brussels (morning)

Road Logistics Institute
20 October, Berlin

Sustainable Logistics Institute
20 October, Berlin

Supply Chain Security Institute
21 October, Berlin

Air Logistics Institute
21 October, Berlin

2016 FREIGHT FORWARDERS FORUM
16 November, Brussels (morning)

Board & General Assembly
16 November, Brussels (afternoon)

OTHER EVENTS WITH CLECAT PARTICIPATION

Conference “EU Customs – Making A Difference In Modern Trade?”
7 September, Brussels

European Transport Forum
27 September, Brussels

FIATA World Congress
3-8 October 2016, Dublin

Conference ‘Law and logistics: the way forward’
12/13 October 2016, Antwerp

GLEC event on launch methodology
15 November, Brussels

ELP Forum on the Future of Logistics
15 November, Brussels

2016 FREIGHT FORWARDERS FORUM
16 November, Brussels (morning)

FEPORT Second Annual Stakeholders’ Conference
8 December, Brussels

EP/COUNCIL MEETINGS

European Parliament
1 September, Brussels

Council of the European Union
14 October 2016 - Transport, Telecommunications and Energy Council

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