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

NEWSLETTER

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News from Brussels

CLECAT wishes you a wonderful Christmas and we look forward to working with you all in 2017!

Rail

WORKSHOP ON RAIL FREIGHT CORRIDORS

CLECAT participated in a Workshop on Friday 16 December 2016 exclusively dedicated to the outcome of the consultation process on the RFC Regulation (Regulation (EU) 913/2010). The main results will be presented and options for a potential revision of the Regulation will be openly discussed. The Commission has launched a consultation process in the framework of the evaluation of the Rail Freight Corridor Regulation (Regulation (EU) 913/2010), including an open public consultation. After analysis of the numerous contributions, the Commission has established a list which gathers points which could be considered in the case of a revision of the Regulation.

The first findings of the evaluation indeed demonstrate that enhancing the legal framework for the Rail Freight Corridors could contribute to create the conditions for an ambitious development of cross-border rail freight in the mid- to long-term. A need for more clarity and flexibility in certain parts of the Regulation has furthermore been expressed. However, any revision of the Regulation should not aim at fully revisiting the RFC concept, but rather at lightly adapting the legal framework in light of experience and feedback gathered so far.

An enhancement of the legal framework could address the following points: Increase the customer orientation of the RFCs through higher involvement of end customers and through stronger performance monitoring; Strengthen the RFC concept in order to unleash its full potential – for example by exploring the possibilities of increasing reliability of international rail freight traffic in operation (e.g. consider how delays at borders of incoming freight trains should be treated in the framework of performance schemes; consider a European RFC performance regime in the mid-term); Initiatives towards a RFC network

PROGRESS ON COMMON SET OF KPI'S FOR RFC

The collaboration between ERFA, UIRR, ESC, ECCO and CLECAT within the Dialogue with Railway undertakings has to the elaboration of a common set of KPIs for the Rail Freight Corridors. UIC and RNE are now organizing a meeting with the corridor users (ECCO-ERFA-UIRR-ESC-Clecat) in order to discuss in detail what can be achieved and within what time horizon. The meeting will discuss and evaluate the proposals for additional RFC KPIs in terms of

- Feasibility (technical and/or process bottlenecks
- Implementation timeline
- Potential tests, pilots with volunteering RFCs

UNLEASHING THE POTENTIAL OF RAIL FREIGHT

Adequate framework conditions should be put in place for rail freight to unleash its enormous potential and increase its attractiveness to customers. Rail stakeholders and legislators, at national and EU level, should leave personal interests behind and co-operate on this issue. This was the main message of Rail Forum Europe's dinner debate held in Brussels on 5th December.

Sylvie Charles (CEO of SNCF Logistics Rail & Intermodal Division) highlighted the imbalances that European rail freight undertakings suffer from under the present regulatory framework across Europe and the consequent stagnating share of rail freight. She stated: "Over the past years there has been strong progress in terms of productivity improvements and customer-focused services in the context of an open rail freight market. Despite the sector's efforts, the competitiveness of the rail freight is still facing critical hurdles including the lack of a level playing field with road and cost-intensive regulatory requirements for rail freight undertakings". Paul Hegge, (Head of public affairs of B Logistics) highlighted the issues related to infrastructure funding and financing and stressed the need to improve quality access, transparency and accountability. He said: "Public budgets and European taxpayers cannot afford to finance all the rail infrastructure upgrades that society and the economy need. Consequently, regulatory framework conditions must be created to enable private capital to invest in rail infrastructure".

Matthew Baldwin (Deputy Director General of DG MOVE), described the actions being carried out by the Commission to improve conditions for rail freight. In particular, the Rotterdam Ministerial Declaration and Sector Statement on rail freight corridors, the implementation of the 4th Railway Package, the deployment of ERTMS in the framework of digitalisation as well as actions aimed at reducing rail noise prove that rail freight is high on the Commission's agenda: "The development of rail freight remains a top priority for the European Commission, in the context of transport decarbonization and of the implementation of the 2011 Transport White Paper," he said.

Pauline Bastidon (European Shippers' Council) provided a feedback from a customers' perspective on the status of rail freight: "Many customers would love to make more use of rail freight, but rail freight needs to deliver in terms of reliability, cost-attractiveness, speed, and flexibility. Ensuring that customers have access to the rail network by investing in last-mile infrastructure is also key." Libor Lochman (CER), highlighted the importance of increased co-operation between Railway Undertakings and Infrastructure Managers to improve the development of rail freight.

NEW FREIGHT RAIL SERVICE ON ROMANIA – SWEDEN ROUTE

Samskip and the Austrian Rail Cargo Group have announced plans to link their multimodal transport networks by launching a rail connection between Curtici, Romania and major logistics centres in Sweden. From 1 January 2017 the two companies will launch seamless rail services connecting Romania and Sweden. The new service will effectively join two existing, fully operational routes to form the first unified rail connection between the East European nation and Scandinavia, taking advantage of Samskip's railway hub in Duisburg, Germany. Lying on the western border of Romania, Curtici is a major junction in Central European railway network that connects to the country's capital Bucharest. The new multimodal freight service will offer competitive transit times compared to road, allowing shippers to transport cargo from Curtici to Stockholm in four to five working days.

Source: RailwayPro, 16 December

Road

SOCIAL LEGISLATION IN ROAD FREIGHT TRANSPORT

DG MOVE has noted that forthcoming initiatives for the road transport sector should contribute to more clarity and better enforcement of the rules applicable to employment contracts in the transport sector and may address the specific challenges the application of the provisions of the Posting of Workers Directive raises in this specific sector. The Commission is considering a number of options for regulating minimum wages for drivers involved in international transport. CLECAT remains of the opinion that the current Posting of Workers Directive is not suitable for the international (road) transport sector as it does not take into account the sector's highly mobile workforce, transnational character nor the administrative burdens and enforcement difficulties of applying it to road transport operations.

The CLECAT position paper on social legislation in Road Freight Transport is available HERE.

It is expected that the Italian Ministry will publish tomorrow useful information related to the communication to provide before the beginning of "posting period". We also understand that at the at moment international transport will be excluded, waiting for clarification from EC.

The Italian regulation on the Posting of workers will enter into force on the 26th December. The following website will be updated in the coming days:

http://www.lavoro.gov.it/strumenti-e-servizi/Distacco-transnazionale/Pagine/default.aspx

Air

BRUSSELS AIRPORT: NOISE NORMS 'ECONOMIC SUICIDE'

Brussels Airport has launched an information campaign after stricter noise norms threaten economic activity at the airport. Belgium is in the ban of a difficult political debate, after the decision by the Brussels government to introduce stricter "zero tolerance" noise norms, starting January 1 2017. As a result two cargo carriers have already announced their departure from Brussels Airport: Saudi Arabian Cargo is moving to Frankfurt (Germany), while China's Yangtze River Express is switching to Amsterdam (The Netherlands); and others have appealed unsuccessfully to the Council of state. Brussels airport fears more carriers could leave if they could face heavy fines in Brussels. Carriers using Boeing 747s (a widely used cargo plane) are particularly affected by the new norm.

Last week Brussels Airport launched a major information campaign in Belgian newspapers to 'set the record straight' and highlight the economic importance of the airport. A spokesperson of the airport said 4.500 jobs have already been lost and more could follow. The Government of Flanders now launched a conflict of interest case. This will allow for an additional 60 days to find a solution before the new rules apply.

EC LOOKING FOR AIR NAVIGATION SERVICES EXPERTS

The European Commission is looking for interested individuals to become members of the Performance Review Body (PRB) for air navigation services as of 1 April 2017. The PRB assists the Commission in the performance and economic regulation of monopoly air navigation service providers in the European Union and Switzerland. The PRB provides independent advice and expertise to the Commission to improve the performance of air navigation in Europe in the key areas of safety, capacity, environment and cost-efficiency. Commission Implementing Decision (EU) No 2016/2296 of 16 December 2017 sets up the independent group of experts designated as Performance Review Body (PRB) of the Single European Sky.

More information available here.

Maritime

OUTLOOK IMPROVING FOR CONTAINER LINES

Things are looking up for ocean carriers that remain active after the merger and acquisition (M&A) frenzy of the past year or two, according to container shipping analyst Drewry, although new players and state support may still upset the improving supply-demand balance outlook.

With fewer global carriers and a break from ordering big new ships, the industry has been busy preparing the ground that could see the industry return to profitability, it said, adding: “It might seem counter-intuitive to hold a more bullish view so soon after one of the industry’s most high-profile casualties in Hanjin Shipping and a third-quarter when financials were splattered in red ink leading to a collective operating loss of over $1 billion. But such has been the intensity of consolidation that there does seem to be a very high probability that better times are just around the corner, and potentially really good times when the current orderbook is delivered.”

But Drewry cited two main reasons it is reluctant to get carried away with the idea that recovery is on its way. “Firstly, we remain cautious on a general principal because carriers have a self-sabotaging streak that in the past has shortened booms and lengthened busts”. Secondly, new entrants may emerge and drive down prices. For example, Korea-Line is making an effort to expand into the container line business, having bought some of Hanjin’s transpacific assets.

Drewry concluded: “Consolidation will assist carriers on their path to becoming profitable, but conditions will still not be ideal for making huge sums until the overcapacity situation is dealt with and the barriers to entry rise to deter competition.”

Source: Lloyd’s Loading List, 19 December

BPA CHAIRMAN CALLS FOR POST-BREXIT ‘PORT ZONING’ STRATEGY

The British Ports Association (BPA) this week called on Ministers to introduce ‘port zoning’ in and around UK harbour areas to support jobs and trade post-Brexit. BPA Chairman Rodney Lunn wrote to the Transport and Environment Ministers outlining the new concept that would see both marine and land areas within ports being classified as special areas for growth. These zones would be safeguarded against the impact of marine designations and planning system challenges allowing ports to fast-track developments and have certainty about future activities.

Ports throughout the UK now face increasing restrictions stemming from marine and planning designations, often representing a challenge to their statutory duties and future plans. As pre-existing economic areas, ports are defined by in private legislation and are unable to move or change their limits, forcing them to undertake costly programmes to continue operating.

BPA Chairman Rodney Lunn said: “Environmental and planning constraints in ports statutory limits are becoming increasingly difficult to work with. Our proposed ‘port zones’ would allow ports to continue to fulfil their duties to maintain safe harbours whilst supporting jobs and trade without endangering the environment.”

Source: British Ports Association, 20 December

Customs

EC PROPOSAL FOR MORE COOPERATION IN EU CUSTOMS UNION

The European Commission adopted on the 21th December its long-term plan to give fresh impetus to the management of the Customs Union, a basic pillar of the European Union which supports and protects the Single Market. The communication sets out a strategic vision for the Customs Union which would see cooperation among national authorities increase in order to meet the challenges of the 21st century.

Pierre Moscovici, Commissioner for Economic and Financial affairs, Taxation and Customs said: "Common threats require common actions from Europe. National customs authorities have an important role to play across the EU to protect our interests. From trade facilitation and border security to civil protection and the fight against the smuggling of illegal weapons and counterfeit goods, the European Commission wants to equip national customs and their 120.000 dedicated people with the right tools to handle this crucial mission. Next year we will celebrate the 50th anniversary of the Customs Union. Let's further improve this great achievement for the years to come."

The Customs Union operates under already agreed principles and a legal framework known as the Union Customs Code (UCC) which has been in force since 1 May 2016. While the rules are the same across the EU, customs authorities do not always apply them in a cohesive, uniform manner. The vision laid out in today's Communication stress that the independent customs administrations of Member States should work towards acting as one single entity. At the same time, cooperation with other border management and security authorities such as national border and coast guards, the European Border and Coast Guard and Europol must also be encouraged and strengthened. Equally, customs operations across the EU should have access to the IT systems needed to handle as many as nine customs declarations per second.

Key priorities of the Commission for future work include:

- Encouraging common agreement amongst Member States on the application of EU customs rules;
- Helping customs administrations to make the work of 120,000 customs staff more effective;
- Upgrading and aligning new EU-wide IT systems dedicated to customs procedures to ensure the best possible cooperation;
- Promoting best practices to make it easier for national authorities to cooperate and share information.

The communication also makes the case for a stronger role for customs authorities in a variety of areas in the context of border management, including in the fight against terrorism and border security. Concretely, the Commission has also proposed today an update to rules on the control of cash at customs in order to curb illegal financial activity by criminal and terrorist groups. Work is also ongoing to examine how customs authorities could tackle the illicit trade in cultural goods by terrorist groups. Future work will also concentrate on human and financial resource management, and the provision of specialised customs equipment including mobile laboratories and security scanners.

Source: European Commission, 21 December
Find out more about the EUs Customs Strategy here.

NEW REGULATION FOR STRICTER CASH CONTROLS

On Wednesday, the European Commission adopted a package of measures to strengthen the EU's capacity to fight the financing of terrorism and organised crime, delivering on the commitments made in the Action Plan against terrorist financing from February 2016. The proposals being presented by the Commission will complete and reinforce the EU's legal framework in the areas of money laundering, illicit cash flows and the freezing and confiscation of assets.

The Action Plan also introduces new regulation on cash controls at EU Customs. Part of this new regulation is an extension of customs checks to cash sent in postal parcels or freight shipments and to precious commodities such as gold, and to prepaid payment cards which are currently not covered by the standard customs declaration. Other measures include tighter cash controls on people entering or leaving the EU with €10,000 or more in cash; enable authorities to act on amounts lower than the customs declaration threshold of €10,000, where there are suspicions of criminal activity; improve the exchange of information between authorities and Member States.

Source: European Commission, 21 December

PUBLIC CONSULTATIONS ON VAT RATES REFORM

The European Commission has launched three public consultations on VAT rules and rates in the EU. This is part of the Commission's Action Plan on VAT to create a single EU VAT area. The Action Plan sets out immediate and urgent actions to tackle the VAT gap and adapt the VAT system to the digital economy and the needs of SMEs. In 2011 the decision was made to move from a 'origin principle system to a 'destination principle' system for VAT rates. (Origin principle: the location of the seller determines VAT rate applied. Destination principle: the location of the buyer determines VAT rate applied).

The consultations focus on the following areas: a reform of VAT rates, a VAT system for Business to Business intra-EU transactions and a special VAT scheme for SME's.

Find out more about the Consultation on VAT Rates here.
Find out more about the Consultation on the VAT system for Business to Business intra-EU transactions on goods here.
Find out more about the Consultation on the special scheme for SME's here.
The consultation is open from 20.12.2016 until 20.03.2017

Sustainable Logistics

DIESELGATE REPORT – SHORTCOMINGS OF MEMBER STATES & EC

This week the European Parliament Committee of Inquiry into Emission Measurement in the Automotive Sector (EMIS) published the first draft report on law enforcement shortcomings in EU member states as regards car emissions. The report presents evidence on the possible use of prohibited "defeat" devices and identifies gaps in the EU car type-approval system and shortcomings in the enforcement of the EU emissions legislation in the member states.

"Dieselgate would not have happened if the national governments and the European Commission had acted on their legal and administrative responsibilities. The legal ban on defeat devices is clear, the problems uncovered by our investigation relate to undue delays in decision-making, negligence and maladministration," said co-rapporteur MEP Gerben-Jan Gerbrandy (ALDE, NL).

The draft report finds that Member States and the Commission could (and should) have done more to monitor and ban the use of defeat devices as set out in EU regulations. It calls for the swift adoption on the 3rd and 4th real driving emissions (RDE) packages, increased expertise at the Commission and more oversight at EU level.

In January, EMIS has planned four more hearings with ministers in charge of type approval in Italy and Slovakia, as well as with representatives of two additional car manufacturers, Audi and Opel. EMIS will have a first public debate on the text on 12 January. The draft report is to be put to committee vote on 28 February and the final plenary vote in April.

Source: European Parliament, 19 December Find out more about the draft report, draft recommendations and the factual part of the report here.

General

SAVE THE DATE – ELP DEBATE ON WOMEN IN TRANSPORT

The European Logistics Platform organises a lunch event on "Women in Transport" on Tuesday, 24

European Logistics Platform

The ELP next lunch event will take place on 24 January 017 at 12.30 at the Radisson RED Hotel, Rue d'Italie 35, Brussels.

The event will be kindly hosted by MEP Ismail Ertug (S&D) and MEP Jens Nilsson (S&D). Guest Speakers include Gilles Bergot, Deputy Head of Unit "Social Aspects and Passenger Rights", DG MOVE, the Nordic Nordic Logistics Association and FTA.

Transport is not a gender-balanced sector: only 22% of people working in transport are women, compared to 46% in the overall economy. The share of women is extremely low in more technical professions: they account for only 3% of rail drivers. Factors such as atypical and long working hours make it difficult to increase the share of women in transport jobs. The Commission considers that focused action is necessary to increase the participation of women in the transport sector in order to bring more gender balance into it and avoid shortages of labour in the future. How real is this problem and what is the logistics industry doing itself to improve its image and to attract more women into the sector.

Members from across the European Parliament's committees and political groups, the European Commission and the Permanent Representations are invited to discuss what can be done to attract more women to the sector, at a time when technological progress opens up new opportunities.

AMAZON NEXT TO BUILD 'UBER-FOR-TRUCKING' APP

Amazon is the next in line to develop a load-matching app that connects road freight operators with shippers. The e-commerce giant's scale and track record may prove a critical advantage over existing load-matching platforms, according to one freight digitalization specialist.

The app is designed to make it easier for truck drivers to find shippers that need goods moved, much in the way Uber connects drivers with passengers, according to a report in Business Insider. The new service would put Amazon squarely in competition with numerous startups in this space, such as Convoy and Trucker Path, and incumbent players such as publicly listed firms like C.H. Robinson and J.B. Hunt, Business Insider noted.

Zvi Schreiber, CEO of freight digitalization specialist Freightos, said the idea of Amazon creating an 'Uber for Trucking' app isn't a surprise, highlighting parallel moves by Alibaba to invest in its logistics capacity – and Uber's own 'Uber for Trucking' app, which "was soft launched just weeks ago". He commented: "The takeaway is clear – companies that have focused on ecommerce and fulfilment are expanding across the supply chain, leveraging vast amounts of capital to expand their future business." He listed three main reasons: Increased customer expectations; the "Ecommerce Cold War"; and "Everything-as-a-Service".

Source: Lloyd's Loading List, 19 December

EC GRANTS ITALY ALMOST €400M IN MODAL SHIFT SUBSIDIES

The European Commission (EC) has announced subsidies totalling €393 million to promote a modal shift in freight traffic in Italy. It said the funding was consistent with EU state aid rules and would target two schemes − one focused on transferring freight traffic from road to rail and the other from road to sea.

The first scheme will see rail freight operators receive subsidies of €255 million as the EC supports "a mode of transport that is less polluting than road, one which will have a positive impact on the environment and, in decreasing road congestion, be beneficial in terms of mobility". The Commission said its assessment had showed that the scheme is open to all railway companies operating on the freight market in Italy. "The measure will in particular boost the southern part of Italy where the imbalance between rail and road is significantly more pronounced," the EU body said. In line with the guidelines pertaining to state aid for railway undertakings, the level of support beneficiaries can receive under the scheme is based on a reduction of the infrastructure charges and external costs borne by rail transport operators when compared to road transport, the EC underlined.

The second scheme, named Marebonus and which focuses on encouraging freight transport by sea rather than by road, will receive subsidies of €138 million. Aid will be granted to operators starting new maritime services or upgrading existing sea routes. "In line with the guidelines, public support is limited to meeting some of the extra costs of switching to a more environmentally-friendly mode of transport," the EC added.

Source: Lloyd's Loading List, 20 December

Forthcoming events

CLECAT MEETINGS

Customs and Indirect Taxation Institute
11 January, Brussels

Maritime Logistics Institute
20 January, Milan

Sustainable Logistics Institute
7 February, Brussels

Road Institute
7 February, Brussels

Supply Chain Security Institute
21 March, Brussels

Air Logistics Institute
21 March, Brussels

EP/COUNCIL MEETINGS

European Parliament
Transport and Tourism Committee
25-26 January, Brussels
27-28 February, Brussels

European Parliament - Plenary Session
16-19 January, Brussels

Transport, Telecommunications and Energy Council
12-15 February, Brussels
27 February, Brussels
9 June, Brussels
26 June, Brussels

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