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News from Brussels

CLECAT-TLF WORKSHOP ON DATA EXCHANGE IN LOGISTICS

CLECAT and TLF are organising a workshop entitled 'Data exchange in logistics: how to enable a joined-up approach for trade and government' on the 15th March at the SITL in Paris. The event will gather key policy and business leaders to discuss possible solutions for standardisation and automation in data analysis through advanced data-sharing for the supply chain visibility, as demonstrated in the CORE project.

This EU-funded research project <u>CORE</u> project is steering towards the demonstration of, both integrity of data, and security of goods. To meet these terms, several trade lane demonstrators are being, or have been started, involving logistical service providers, transporters, as well as end-to-end business parties. These developments will be presented and linked with ongoing initiatives such as the Digital Transport and Logistics Forum (DTLF) aimed at supporting the European Commission in implementing the Union's activities aimed at fostering more efficient exchange of electronic information in transport and logistics (between and within transport modes).

Speakers include: Dominique Willems, CLECAT, Wout Hofman, Ph.D. Senior Research Scientist TNO, Joris Tenhagen, Manager Business Development, Seacon Logistics Group, Dr. Lance Thompson, International Development Manager, CONEX Nicolette van der Jagt, CLECAT and Anne Sandretto, TLF

The event will take place on Wednesday 15 March at the SITL, Paris, Porte de Versailles, Pavilion 1. The programme is available here.

PROGRAMME LEARN WORKSHOP PUBLISHED



CLECAT and other consortium partners of the <u>LEARN</u> project invite interested parties to join the LEARN International Workshop on 4 and 5 April 2017 in Brussels. The event brings together private sector, government and civil society stakeholders with an interest in reducing the carbon footprint of the global freight and logistics sector. The programme and agenda were published today <u>here</u>.

The project 'Logistics Emissions Accounting and Reduction Network' (LEARN) empowers business to reduce the carbon footprint across their global logistics supply chain through improved emissions accounting. The workshop aims to introduce the LEARN project, partners and activities, collect feedback from stakeholders and explore how we can work together to maximize business uptake of carbon accounting and reduction. It will also address:

- What support companies need to measure, report and verify (MRV) emissions and how a label can recognize good performance
- The practical applicability of emissions MRV and a label in complex multi-modal logistics settings

The LEARN international workshop is organized back to back with **The Europe Workshop on Green Freight Programs** on 6 and 7 April in Brussels. This event brings together governments, industry and civil society to explore how to expand green freight programs across Europe and promote collaboration between them. For more information please click <u>HERE</u>.

<u>Registration</u> for the workshop is open.

ECONOMIC LOSSES BECAUSE OF STRENGTHENED BORDER CHECKS

Last week the TRAN Committee of the European Parliament held a public hearing on the economic losses of road transport companies as a consequence of strengthened border checks. The three experts, Vincent Aussiloux (France Stratégie), Tim Breemersch (TML) and Marc Billiet (International Road Transport Union), as well as the Commission representatives (DG HOME and DG MOVE) referred to the temporary measures of increased border checks between certain Schengen countries extended this February by the Council. Reference was made to the consequences for the economy in general, and the losses and increased costs faced by hauliers due to more frequent and stricter border controls. They also addressed the difficulties in terms of planning, late-arriving deliveries of particularly sensitive items, compliance with driving and rest time legislation, and of stranded passengers.

During the discussions, the negative effects on trade, tourism, employment, especially regarding cross-border labour mobility, as well as on hauliers, including on competition aspects, were stressed. The need for predictability was highly underlined. The security aspects leading to these measures were also addressed, and in this context, the need for a timely and enhanced exchange of information between Member States was emphasised.

GERMANY TO BAND WEEKLY RESTING TIME IN CABIN

The German federal government proposed this week to change the so-called "Fahrpersonalgesetz", regulation which includes social road legislation. The new law aims to improve the working conditions in the road transport sector. It includes a provision that prohibits drivers to spend their weekly rest on board of a truck.

The government says that taking this resting time inside the cabin does not allow the driver to rest properly, which is a danger to the health of the diver and road security. The decision was preceded by a hearing on the working condition of the road transport sector. If introduced, drivers and transport companies will face a fine of 30 and 90 euro respectively, for every hour spent in the truck. The regulation could enter into force in Germany as of Summer 2017. Once the regulation is implemented Germany will be the next EU country to prohibit drivers from taking weekly resting times in the cabin, following Belgium, France and Austria.

IKEA ASSOCIATED WITH DUTCH TRUCKING CASE ON CABIN BAN

In February the District Court of the Northern Netherlands found that one of IKEA's road freight suppliers, Brinkman Trans Holland, was using foreign truck drivers from affiliated companies to cut costs, paying them a basic wage said to be around eight times lower than the legally binding rate in the Netherlands. It ordered an immediate halt to the practice, as well as an end to drivers using truck cabs as living accommodation during weekly rest breaks. The court also awarded back pay to three Dutch drivers. Brinkman's actions were brought to light by Dutch labour union FNV, supported by the International Transport Workers' Federation (ITF).

The Dutch court ruling, banning weekly resting periods in the cabin added fuel to the discussion going on in the Netherlands. In light of the court decision, the Dutch minister for transport Melanie Schultz reconsidered her position on banning weekend rest in the cabin. In anticipation of a clear judgement by the European Court of Justice the Dutch government is now preparing for a ban and wants to collaborate with Belgian and French authorities regarding best practices for controls.

Air

AIR CARGO OFF TO A SOLID START IN 2017

The International Air Transport Association (IATA) released data for global air freight markets showing that demand, measured in freight tonne kilometers (FTKs), rose 6.9% in January 2017 compared to the year-earlier period. While this was down from the 10% annual growth recorded in December 2016 it still was well above the average annual growth rate of 3% over the past five years. Growth in freight capacity, measured in available freight tonne kilometres (AFTKs), slowed to 3.5% in January 2017.

The continued positive momentum in freight growth into 2017 coincides with a steady rise in new export orders, which reached their highest level in February (latest data available) since March 2011.

There has also been an increase in the shipment of silicon materials typically used in high-value consumer electronics shipped by air. The timing of the Lunar New Year (in January 2017) also may have contributed to higher demand in January.

"It's been a good start to the year for air cargo. Demand growth accelerated in January, bolstered by strengthening export orders. And that outpaced the capacity growth which should be positive for yields. And, longer-term, the entry into force of the Trade Facilitation Agreement (TFA) will cut red tape at the borders for faster, cheaper and easier trade. The onus is now on the industry to seize the opportunity to accelerate the modernization of processes to make air cargo an even more compelling option for shippers," said Alexandre de Juniac, IATA's Director General and CEO.

European airlines posted an 8.7% increase in freight volumes in January 2016. Capacity increased 3.3%. The strong European performance corresponds with an increase in reported new export orders, particularly in Germany over the last few months. It was also helped in part by the ongoing weakness in the Eurozone.

Source: IATA, 7 March

ICAO ADOPTS NEW CO2 EMISSIONS STANDARD FOR AIRCRAFT

The 36-State ICAO Council has <u>adopted</u> a new aircraft CO2 emissions standard which will reduce the impact of aviation greenhouse gas emissions on the global climate. Contained in a new Volume III to Annex 16 of the Chicago Convention (Environmental Protection), the aircraft CO2 emissions measure represents the world's first global design certification standard governing CO2 emissions for any industry sector. The Standard will apply to new aircraft type designs from 2020, and to aircraft type designs already in-production as of 2023. Those in-production aircraft which by 2028 do not meet the standard will no longer be able to be produced unless their designs are sufficiently modified.

The European Commission <u>welcomed</u> the standard. The EU and its Member States have been among the strongest and most active advocates of such standard, that will make an important contribution to the sustainability of the aviation sector. EU Commissioner for Transport Violeta Bulc said "I welcome the adoption of the first ever CO2 standard for aircraft, as it could help save up to 650 million tonnes of CO2 by 2040 and contribute to a greener aviation sector. The EU was one of the strongest proponents of this standard and I am happy to see that our efforts and advocacy have paid off. Work is also on track to develop the Global Market Based Measure that was agreed last October. Europe will continue to play an active role in these discussions so that sustainability truly becomes part of the way we fly!"

Maritime

EBU EVENT: INNOVATION IN INLAND WATERWAYS

On 9 March CLECAT attended the European Barge Union's annual event, on the subject of Innovation in Inland Waterway Transport. DG MOVE Director General Henrik Hololei pointed to the need to invest in renewed inland waterway infrastructure, which requires significant financing and which is currently under-represented in the projects approved for CEF or EFSI funding. He highlighted the important role of inland waterways in multi-modal transport, but said that innovative multi-modality would only be possible it inland waterways become part of the advanced digital logistics chain. The Digital Inland Navigation Area concept is intended to aid in this process.

Gesine Meissner MEP called for an EU inland navigation innovation fund to boost technical progress in the sector.

Mark Frequin of the Dutch Ministry of Infrastructure and Environment highlighted the rapid progress being made in other inland transport sectors, which may soon threaten inland waterways' position as the most sustainable transport mode. He called for a green funding system based on a proper carbon price and coordinated action by industry and the public sector to modernise inland waterway transport. It was also noted that the long timeframe for return on investment in inland waterway technology was a hindrance on innovation, and that the guaranteed revenue streams in road transport incentivised private finance in that mode over inland waterways.

THE ALLIANCE BANKRUPTCY CONTINGENCY PLAN

New container shipping consortium 'The Alliance' announced today a "unique contingency plan" to protect customers' cargo and members in case of "financial distress" or "bankruptcy" of one of its partner lines, to prevent a repeat of the chaos that surrounded the collapse of Hanjin Shipping last year. The announcement of the "contingency mechanism" came as the container shipping consortium also announced its "final network after all needed preparations have been finalised" ahead of its operational launch next month.

The Alliance said that "in the unlikely event a member of The Alliance suffers a bankruptcy", the five member lines – Hapag Lloyd, K-Line, MOL, NYK Line and Yang Ming – "will establish an independent trustee to manage funds to be used in the case there is insolvency within the group". The Alliance's final network, features more than 240 ships, deployed in 32 services connecting over 75 major ports throughout Asia, North Europe, the Mediterranean, North America, Canada, Mexico, Central America, the Caribbean, Indian Subcontinent and the Middle East with a wide range of direct port-to-port connections.

Source: Lloyd's Loading List, 9 March

Rail

RENFE FREIGHT ARM TO APPEAL €65M UNFAIR COMPETITION FINE

Spanish rail operator Renfe is to appeal against a multi-million euro fine from the national competition regulator for anti-competitive practices, while Deutsche Bahn, which has been sanctioned on the same grounds, is considering similar action.

National competition regulator CNMC found that Renfe and DB had set up an illegal anti-competitive alliance between their subsidiaries "which allowed them to be both privileged customers and suppliers of one another", noting: "Such practices affected trade between a number of EU countries and limited the competitive pressure that international operators could exert in the Spanish rail freight market."

The fine concerns two Renfe subsidiaries and eight subsidiaries of DB, which are accused of "unfair competition and concerted action to restrain competition". Together, Renfe and DB have a share of Spain's rail freight that exceeds 80%, rising to 100% for sectors such as automotive and steelmaking. Both operators contest the allegations and Renfe announced it will appeal against the fine.

Source: Lloyd's Loading List, 7 March

Customs

NEXT STEP IN THE IMPORT CONTROL SYSTEM (ICS)

Customs formalities on the entry of goods into the Union customs territory with regard to safety and security risk analysis are currently applied as laid down in the Customs Code and its implementing Provisions and supported by the functionalities of the Import Control System (ICS) Phase 1.

The Union Customs Code together with its Implementing Acts and Delegating Acts have introduced new legal obligations which necessitates ICS2 and has to be implemented by 2020.

An EU Strategy and Action Plan for Customs Risk Management was adopted mid-2014. Two areas have been identified as the first operational priorities:

- the need for high quality data on supply chain movements;
- and its proper availability and communication and risk relevant information-sharing including control results

In order to achieve these goals companies have to provide more data to the EU customs authorities before they arrive at or even leave for the EU. In ICS 1 only air and sea shipments needed to be reported to the authorities. The information that has to be provided is at the level of Master Bill of Lading or Master Airway Bill. Once ICS2 is in place, also House Bill information will have to be reported. The information has to be provided in principle by the carrier.

In the past few years CLECAT successfully pleaded for the possibility of dual or multiple filing. Thanks to that in ICS2 it is foreseen that freight forwarders can file part of the declaration directly to customs, so they do not have to provide the information first to the carrier and then the carrier provides it to customs. However, this means that within a couple of years freight forwarders will also play a role in the goods entry process and have to implement new processes and IT systems. Apart from this, ICS will not only be used for sea and air, but also for road and rail. So, several challenges will arise in the near future.

This week a new phase of the ICS2 project started. Until June 2017 the common system (functional) specifications (including the Harmonised Trader Interface (HTI) specs) and the implementation/transition strategy and the will be defined. CLECAT will inform its members on the process, but CLECAT also invites members to share any comments, suggestions or questions about the ICS specifications and implementation strategy at <u>willems@clecat.org</u>

CEN STANDARD OF CUSTOMS COMPETENCY

CLECAT and CONFIAD have welcomed the official publication of the CEN Standard of Customs Competency for Customs Representatives. Both associations, in an effort to promote professionalism, skills and knowledge in the customs representation within the EU, have promoted and financed the development of the CEN Standard. Under the management of AFNOR (the French National Standardisation Body) the Standard was developed in accordance with the rules set by the European Standardisation Organization CEN, taking the Customs competency framework for private sector published by the European Commission into consideration.

Massimo de Gregorio, President of Confiad, welcoming the finalisation of the Standard said, 'We are extremely pleased that the CEN/PC432 working group, including individuals from the private sector

and national standardisation authorities has concluded its work. Through the joined-up efforts of industry and standardisation authorities, working together for more than three years, a consistent standard has been built for the benefit of competency for customs representation.'

Jean-François Auzeau, Chairman of the Customs Institute in CLECAT, equally pleased with the result, noted that 'whereas investments made to develop interoperability between electronic systems for the exchange of information, single window etc. will support daily operations in customs, a high level of expertise of the customs representative to secure compliance in the supply chain will remain critical for professionalism and good service to our shipper clients.'

In line with the criteria of customs competency required by the AEO-C status in the Union Customs Code, the CEN Standard will support customs representation services offered by any customs representative in an EU Member State where the customs representative is not established. Beyond this, it will seek to enhance the quality of services offered by Customs Representatives in the European Union.

CLECAT and CONFIAD will seek to create more awareness on the publication of the Standard. The associations hope that those seeking to develop professional trainings and work with standardisation bodies will implement the Standard. They also invite national customs authorities to consider the value that the CEN standard offers industry.

Sustainable logistics

DP-DHL GROUP COMMITS TO ZERO EMISSIONS LOGISTICS BY 2050

This week Deutsche Post DHL Group announced to reduce all logistics-related emissions to net zero by the year 2050. In pursuit of this ambitious new target, Deutsche Post DHL Group hopes to contribute meaningfully to achieving the goal of limiting global warming to well below two degrees Celsius established at the 2015 Paris climate conference (COP 21), as well as to the United Nations' 2030 Agenda for Sustainable Development. Deutsche Post DHL Group also wants to become the market leader in green logistics and plans to expand its portfolio of green products and services to help customers achieve their own climate protection targets. "The decisions we make today will determine how our children live 30 years down the line," said Frank Appel, CEO of Deutsche Post DHL Group.

CITY EMISSIONS ZONES TO CONSIDER FREIGHT

In a <u>position paper</u> the German Forwarders and Logistics Association DSLV (der Deutsche Speditionsund Logistikverband) called on governments to take more consideration of freight transport when implementing city emission zones or vehicle bans, and to avoid non-harmonised systems across Germany. The paper comes after the regional government of Baden-Württemberg decided on a "blue plaque" for Stuttgart. The city has been struggling with air quality issues and high concentrates of particulates for years. The new measure would allow the city to ban diesel engines that do not comply with the EURO V standard during periods of high pollution.

DSLV calls on policy makers to take better consideration of the freight transport sector in such decisions. Exemptions and transitional measures should be introduced until alternative fuels become a viable and widely used option and refuelling and recharging infrastructure is available. Furthermore the investment cycle of the vehicle fleet needs to be taken into account, and give

businesses sufficient time to prepare their investments. DSLV also stresses the need for a harmonised system and suggests the use of a plaque system night be most practical and least bureaucratic.

ACEA CALLS FOR ACTION AGAINST EMISSIONS MANIPULATION

European truck manufacturers have invested heavily in complex exhaust control technology that is delivering extremely clean heavy-duty vehicles which meet the stringent Euro VI emission standards. The key NOx reduction technology for trucks is Selective Catalytic Reduction (SCR), which requires the controlled dosing of a diesel exhaust fluid called AdBlue® to enable effective NOx reduction. Recent media reports have shown that 'AdBlue emulator' devices are being installed by truck operators in order to by-pass or stop the AdBlue injection system.

If there is no AdBlue injection, there will be no NOx reduction in the SCR. This saves truck operators the cost of AdBlue refills at the environmental expense of higher NOx emissions. The truck operator may also qualify for lower motorway taxes or other benefits by officially running a Euro VI truck, which in practice will not be operating as it was designed to, because the truck operator chose to fit one of these devices. There are many websites of suppliers and marketers offering such devices, in several EU member states and also outside the European Union, at a range of prices and capabilities.

"The European Automobile Manufacturers' Association (ACEA) strongly condemns the advertising, sale and use of any aftermarket device that can be used by truck operators to turn off emission control systems," stated ACEA Secretary General Erik Jonnaert. ACEA now calls on the European Commission and member states to ban the advertising and sale of any aftermarket device and to apply random road side enforcement by authorities.

Source: ACEA, 23 February

General

IBM AND MAERSK DEMO: CROSS-BORDER SUPPLY CHAIN SOLUTION ON BLOCKCHAIN

IBM and Maersk are cooperating to introduce a online permission platform based on blockchain technology. A <u>demo</u> shows how IBM and Maersk are digitizing and simplifying global trade to create trust and transparency in the supply chain using blockchain technology--a distributed, permissioned platform accessible by the supply chain ecosystem designed to exchange events data and handle document workflows. The example shows how shipping flowers can create trust and security in a digitized workflow while improving efficiencies of global supply chains.

Learn more at <u>ibm.com/blockchain</u>

ITF ONLINE TOOL ALLOWS COMPANY COMPARISON

A <u>new online tool</u> published by the International Transport Forum at the OECD this week allows users to compare 19 different indicators for more than 50 countries. For example the tool allows you to compare the intensity of freight transport (freight transport in tonne-Km per 1000 units of GDP in

USD). Here Eastern European countries are at the top of the ranking, with Russia at the very top with a score of 2919. In comparison the USA has a score of 498.

The indicator also includes emissions data. For example Luxembourg has the highest Transport CO2 emissions per capita in tonnes (119) and transport CO2 emissions account for 66.3% of total CO2 emissions. In comparison, in Belgium the share of Transport related C2 emission is 27.3 with per capita emissions at 22 tonnes.

TRAN EXCHANGE OF VIEWS WITH TEN-T COORDINATORS

The TRAN Committee considered with the TEN-T Coordinators, Pawel Wojchiechowski, Laurents-Jan Brinckhorst and Matthieu Grosch, issues in linking the EU's TEN-T to third countries (including enlargement countries, Eastern neighbouring countries and China). In addition to this cross-cutting theme, the Coordinators presented the state-of-play of the Mediterranean, Orient/Eastern Mediterranean and Rhine-Alpine core network corridors.

The Coordinators pointed out the priority given to railway projects and the potential of reaping "quick wins" by appropriately structuring projects, including smaller ones. Members welcomed the progress achieved, but also asked many critical questions on the specific implementation of the corridors, the effectiveness of the EIB in supporting transport projects, the impact of third country investments, as well as the mainstreaming of sustainability and climate policy objectives. The debate also highlighted the need for a CEF 2.0 in order to ensure adequate transport infrastructure investment in the TEN-T beyond 2020.

Forthcoming events

CLECAT MEETINGS

Customs and Indirect Taxation Institute 20 March, Brussels

Supply Chain Security Institute 21 March, Brussels

Air Logistics Institute

21 March, Brussels

Road Institute/working group Road (CLECAT/FIATA)

30 March, Zurich

FIATA Headquarters meeting 31 March, Zurich

Customs and Indirect Taxation Institute 16 June, Lisbon

Board, General Assembly 16 June, Lisbon

Road Institute 20 June, Brussels (tbc)

Sustainable Logistics Institute 20 June, Brussels (tbc)

OTHER EVENTS WITH CLECAT PARTICIPATION

SITL – CLECAT/TLF side event

15 March, Brussels

European Truck Platooning Challenge Networking Event 21 March, Brussels

SELIS Plenary meeting 29-30 March, Athens

LEARN International Workshop 4-5 April, Brussels

EC Conference on Connected and Automated Driving 5-6 April, Brussels

Global Green Logistics: Making Emissions Accounting Work for Business 9 May, Transport logistic Messe, München

Global Liner Shipping Conference 16-17 May, Hamburg

EP/COUNCIL MEETINGS

European Parliament Transport and Tourism Committee 22-23 March, Brussels 10-11 April, Brussels

Plenary Session 13-16 March, Strasbourg 3-6 April, Strasbourg

Transport, Telecommunications and Energy Council

8 June, Brussels

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