# European association for forwarding, transport, logistics and customs services NEWSLETTER

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### Brussels news

#### CLECAT CALLS FOR FAIR INTERNAL MARKET RULES INSTEAD OF BURDENSOME REGULATION IN ROAD FREIGHT TRANSPORT

In anticipation of first exchanges in the European Parliament on the various legislative proposals of the Mobility Package this week and next, CLECAT has issued its detailed Position Paper on the package's proposals relating to the internal market and the social pillar.

CLECAT calls on policy makers and politicians to continue to support an internal market for road freight transport, as it remains of key importance for the competitiveness of Europe. In view of the persistent barriers created by national measures, CLECAT remains convinced that clarification and simplification of the current rules accompanied by strengthened enforcement remains the best way to support trade and a competitive market to the benefit of workers and business. Nicolette van der Jagt, Director General of CLECAT notes: 'For freight forwarders it remains essential to have regulation in place which seeks to improve the overall efficiency and quality of road freight services, without adding to the burden of bureaucracy associated with regulating an industry. Of course, illegal practices or abuses



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in international road freight transport should be combatted and therefore we are pleased to see mandatory cooperation between Member States concerning enforcement.'

CLECAT believes that the Posting of Workers Directive should not apply to international road transport operations as it would punish those that abide by the rules, and would add a disproportionate administrative burden to the sector. The Commission's proposal to apply the Posting of Workers Directive, subject to a threshold of 3 days as a total per calendar month spent in the territory of a host Member State, goes against the principles of free movement and does not take into account the sector's highly mobile workforce and its international character. It will be neither enforceable nor controllable in light of the national differences in systems of minimum wages, minimum paid holidays and composition of wages etc.

CLECAT welcomes the Commission proposals on cabotage as they clarify and simplify the rules which should support better enforcement and control without further fragmentation or restrictions in the EU. In view of the current lack of secure parking areas in Europe and the lack of qualified drivers, CLECAT is of the view that European infrastructure and market circumstances cannot sustain the consequences of the proposal to prohibit the driver from spending their regular weekly rest onboard of their vehicle.

As the Commission's legal proposals relating to access to the market, access to the profession, posting of workers and the driving and rest times are closely related, CLECAT addresses its positions and proposals in a <u>consolidated position paper</u>.

The response to the Eurovignette proposal can be found in a separate <u>position paper</u> in which CLECAT welcomes the proposal to harmonise road charging and improve the interoperability of toll systems across the EU.

The TRAN committee held an exchange of views with the European Commission on the Mobility package during the TRAN meeting on Thursday 12 October. Internal market and social aspects as well as road charging were discussed. The exchange of views were <u>webstreamed</u>.

#### **TRAN/EMPL HEARING ON MOBILE TRANSPORT WORKERS**



On 16 October the Transport and Employment committees of the European Parliament will hold a joint hearing on the working conditions of mobile workers in transport, in the context of the Mobility Package proposals on posting of workers, driving and rest times and access to the road haulage market and occupation. The hearing will feature speakers from the European Road Hauliers Association, the European Transport Workers' Federation, Transport and Logistics Poland, the German Haulage, Logistics and Waste Disposal Federation, and CONFEBUS.

The programme of the hearing may be found here.

#### **2017 FREIGHT FORWARDERS FORUM**

CLECAT is inviting its members, policy makers and stakeholders to join its annual Forum, which is being organised with the support of the Port of Barcelona, on the 24<sup>th</sup> November at the WTC in Barcelona. *SMART AND SUSTAINABLE LOGISTICS SOLUTIONS THROUGH MULTIMODAL TRANSPORT* is the theme of the 2017 Freight Forwarders' Forum.



The FFF will hear from several multimodal logistics service providers and operators about what makes their business successful, how they deliver value for their customers. What are the needs in terms of a business environment, regulatory framework and infrastructure connections in order to build a multimodal system. How can innovation drive efficiency, resilience and emissions reduction at the same time? What is needed to boost these developments?

These are the themes and the questions that will be addressed during the Forum gathering different high-level expert speakers, who will set the scene for lively debates with different industry representatives and policy makers. The event take place in the World Trade Center in Barcelona.

Save the date and register now online

# ECG CONFERENCE ON DIGITAL REVOLUTIONS IN POLITICAL TURMOIL

CLECAT has been invited to speak at the <u>ECG Annual Conference</u> which will be held in Brussels on the 20th October 2017. Following the success of last year's event and the high level of interest in digitalisation and the industry's future, ECG has put together an interesting agenda focussing on digital revolutions and change. In a session on 'political turmoil', Nicolette van der Jagt, CLECAT's Director General has been invited to speak about expectations for the 2018 Multimodal year. In the same session Lin Konstantinopoulou, AEOLIX coordinator, will talk about moving towards an EU harmonised policy on logistics on behalf of ERTICO. IRU will provide give its views on the Mobility Package.

#### CLECAT SPEAKS AT IATA CARGO SECURITY AND FACILITATION FORUM

CLECAT participated in the IATA Cargo Security and Facilitation Forum, held on 3-4 October in Barcelona. Senior Policy Manager Aidan Flanagan participated in panels on Phasing Out of Account Consignor Regimes and the Challenges of Brexit, as well as moderating a session on Security Screening Requirements for Special Cargo.

The panel on Account Consignor regimes considered the need for regulatory assistance in providing certainty over the framework once AC has been phased out in 2021, as well as the challenges presented for industry in losing the possibilities afforded by AC and in moving shippers towards Known Consignor status. Greater uptake of KC is of importance for the secure supply chain concept, and regulators should aid forwarders in encouraging shippers to become accredited. Greater provision of the latest screening technology, and development of cargo-specific technology, will also be of great importance for the potentially increased number of consignments requiring screening, which was discussed in the screening technology panel. The panel on Brexit outlined the challenges facing freight and logistics caused by the UK leaving the EU, potential solutions and likely outcomes for the future

relationship. The event also discussed issues including security for e-commerce, lithium batteries, advance cargo information and cross-cutting issues with air passenger security.

#### EMPOWERING FREIGHT FORWARDERS, CARRIERS AND SHIPPERS TO REDUCE THEIR CARBON FOOTPRINT

CLECAT is organising a panel session as part of <u>Intermodal Europe 2017</u> entitled "Empowering freight forwarders, carriers and shippers to reduce their carbon footprint." The event will take place on the 29<sup>th</sup> November in Amsterdam. The discussions will focus on the benefits of emissions accounting and reporting for logistics companies, which is the subject of the <u>LEARN</u> Project and the <u>GLEC Framework</u>, which will be presented during the conference.

The LEARN project aims to build a network to promote logistics emissions accounting and reporting, investigate barriers and problems in its realisation, and testing the applicability of the GLEC Framework to real logistics operations. The GLEC Framework provides a harmonised methodology for calculation of CO2 emissions along multimodal logistics chains.

The panel event will feature presentations of both the LEARN project and the GLEC Framework, discuss how logistics players can be motivated to begin measuring and reducing their emissions, drawing on practical experience in collaborating to measure and reduce logistics emissions. The panel will also feature a presentation from the <u>SELIS</u> project, which seeks to link business, technology and capacity innovation for collaborative Green Logistics in order to deliver a Shared European Logistics Intelligent Information Space with a clear path towards 30% reduction of energy consumption and greenhouse gas emissions.

The event will discuss how, through calculation and then exchange of logistics emissions data between relevant parties, supply chains can become fully synchromodal and thus deliver flexible, efficient, low-emission logistics. Speakers include Anne Dubost from Heineken, Rob Zuidwijk professor Rotterdam School of Management, Erasmus University RSM, Eszter Toth-Weedon, **S**mart Freight Centre and others. CLECAT is a member of the Global Logistics Emissions Council, which has developed the GLEC Framework, and a consortium partner of both the LEARN and SELIS projects.

#### **DIGITAL TRANSPORT DAYS IN TALLINN**

The European Commission, Directorate-General for Mobility and Transport (DG MOVE) and the Estonian Presidency of the Council of the European Union are organising the Digital Transport Days, which will be held in Tallinn **on 8-10 November 2017**, with the objective to explore the potential and to address challenges of digitalisation of transport and mobility both for passengers and freight.

CLECAT will participate and has also been invited to the DTLF Plenary meeting, which will take place in Tallinn (Estonia) on 10 November 2017, under the aegis of the Digital Transport Days.

According to the Commission, digitalisation will fundamentally shape the transport sector from what we know now. New digital technologies will enable to respond to the pressing need to make transport safer, more efficient and sustainable. Data is the new fuel for transport and provides numerous opportunities to organise transport and mobility services in a new and innovative way. At the same time there is a need to identify and tackle the obstacles that might hinder the full potential of what digitalisation can offer.

Violeta Bulc, European Commissioner for Transport, Kadri Simson, Estonian Minister of economic affairs and infrastructure and other high-level speakers will present what their views are and welcome active participation in the discussions. CLECAT will also participate in the event. <u>Registration for participation</u> is free. The deadline for registrations is 30 October 2017. The programme and practical information can be found at <u>www.digitaltransportdays.eu</u>

#### **BREXIT NEGOTIATIONS MAKE LITTLE PROGRESS**

The latest round of Brexit negotiations concluded on 12 October, with the EU Chief Negotiator Michel Barnier saying that the talks were deadlocked over the issue of the UK's financial commitment on leaving the EU. Mr Barnier said that progress might be made by December which would allow talks to move on to the agreement on the EU and UK's future relationship, i.e. trade talks. The EU27 must give their approval for talks to move to the second, trade phase, and will only do so when satisfied that sufficient progress has been made on citizens' rights, the financial settlement and the border with Ireland. Mr Barnier is thought to be amenable to the idea of holding informal discussions on the transition period in the interim, but is opposed by Germany and other Member States. Draft conclusions for the European Council meeting on 20 October contain the possibility of such informal preparatory discussions on the future relationship and a transition agreement, but will still require negotiation and adoption by the 27 national leaders.

The British government has been increasing discussion of the potential for a no-deal scenario, which would have critical implications for the transport chain and the wider economy. Such a <u>scenario</u> would require the full customs and border checks on all movements between the UK and EU, and the imposition of tariffs and other regulatory barriers on the trade of goods. HMRC has told the House of Commons Treasury Select Committee that it will need to start implementing its customs plans by March 2018 in order to be prepared for a no-deal scenario, leaving little time for negotiators to arrive at an agreement. The Port of Zeebrugge, where the UK represents 45% of trade, has <u>likewise warned</u> of the impact of a no-deal scenario on its operations, with the economic impacts of tariffs considered to be the greatest threat.

# Customs

#### FAR-REACHING REFORM OF EU VAT SYSTEM

The European Commission on 4 October has launched plans for the biggest reform of EU VAT rules in a quarter of a century. The reboot would improve and modernise the system for governments and businesses alike. Overall, over €150 billion of VAT is lost every year, meaning that Member States miss out on revenue. Of this, around €50 billion - or €100 per EU citizen each year - is estimated to be due to cross-border VAT fraud.

The Commission proposes a series of <u>fundamental principles</u>, or "cornerstones" for a definitive VAT system and four "Quick Fixes" to improve the day-to-day functioning of the current VAT system. The fundamental principles or cornerstones for a definitive VAT regime include the principle of taxation at destination for intra-EU cross-border supplies of goods. Under this principle the VAT rate of the Member State of destination, the Member State where the buyer is located, is charged. Next to that, the confirmation that the vendor is liable in the case of an intra-EU supply of goods as a general rule, which means that the seller is responsible for charging and collecting the VAT.

Another new concept introduced is the Certified Taxable Person (CTP). A business can apply to its national tax authority and become a CTP by proving compliance with pre-defined criteria such as regular payment of taxes, internal controls and proof of solvency. Once certified, the company will be considered a reliable tax-payer. Both the CTP and the companies that do business with it will enjoy a number of simplified procedures for the declaration and payment of cross-border VAT. The status of Certified Taxable Person should also be mutually recognised by all EU Member States. The certification obviously overlaps almost entirely with the already existing Authorised Economic Operator (AEO) authorisation, for which the EU Commissions DG TAXUD is also responsible. CLECAT will therefore urge the commission to align both certifications and that companies who are already AEO, can automatically become CTP in order to avoid double assessment of the same criteria for both the private and the public sector.

The proposals will be forwarded to the European Parliament and the European Economic and Social Committee for consultation, and to the Council for their agreement. They will require unanimous agreement from all Member States in the Council before they can enter into force. The full technical adaptation of the VAT directive to reflect the changes needed to practically implement the VAT definitive is expected in spring 2018. Once agreed, the Single EU VAT area should enter into force. More information in detail: DG TAXUD Single VAT Area

#### LAUNCH OF THE NEW CUSTOMS DECISIONS SYSTEM

On the second of October, the European Commission launched a new pan-EU electronic system to make it easier for businesses to get permission to acquire and manage customs authorisations. The new <u>Customs Decision System (CDS)</u> will allow traders to handle up to 22 different types of customs applications.

The legal basis also provides for the first time in the functioning of the Customs Union, a unique <u>EU</u> <u>Trader Portal</u> available for trade to access the trans-European IT system, to lodge applications, to monitor the status of their application and to carry out any follow up task. The trader portal can be accessed through a single-entry point, for which economic operators have to use a unique system for authentication and access, called Uniform User Management & Digital Signature (UUM&DS).

Nonetheless, even though the EU provides a single trader portal to access CDS, it is still possible for Member States to create their own national trader portal in order to process other customs decisions which are out of scope for the European CDS. Some Member states have chosen to exclusively use the EU portal, some have chosen a pure national solution, which links to the EU system and others will provide a hybrid approach of national and EU systems. Therefore, how the CDS works in practice still depends on how a Member State implements the system.

The launch of CDS was already evaluated during the joint meeting of the DG TAXUD Electronic Customs Coordination Group (ECCG) and the Trade Contact Group (TCG) on 5 October. Almost all Member States have successfully implemented CDS, despite some technical or functional issues. On the 4<sup>th</sup> of October, five successful applications in EU Trader Portal were submitted successfully in Ireland, Italy and Portugal. Nonetheless two Member States (Denmark and the Netherlands) found the issues to be too big to launch CDS on 2 October. Fixes of the issues found are expected soon. CLECAT has not yet received any comments or issues from its Members about CDS.

More information on CDS, including user training material: The Customs Decisions System

#### **NEW ANTI-DUMPING METHODOLOGY**

On 3 October, the negotiators of the European Parliament and the Council reached an agreement on the proposal adopted by the Commission in November 2016 to change the EU's anti-dumping and anti-subsidy legislation. These changes should enable Europe's trade defence instruments to deal with current realities – notably overcapacities – in the international trading environment, while fully respecting the EU's international obligations in the legal framework of the World Trade Organisation (WTO).

The new legislation introduces a new methodology for calculating dumping margins for imports from third countries in case of significant market distortions, or a pervasive State's influence on the economy. The agreement also includes changes which strengthen the EU anti-subsidy legislation so that, in future cases, any new subsidies revealed in the course of an investigation can be investigated and included in the final duties imposed. The new rules will only apply to cases initiated after the legislation enters into force. The legislation also ensures a transition period during which all anti-dumping measures currently in place as well as ongoing investigations will remain subject to the existing legislation. The legislation is expected to enter into force before the end of the year.

Last Thursday, 12 October, the Chinese Ministry of Commerce said that the European Union's new anti-dumping rules, that grant separate treatment for imports under "significant market distortions", are not in compliance with World Trade Organization (WTO) obligations. According to China, the move is thus groundless and will harm the effectiveness of the WTO anti-dumping legal system, as it adds uncertainty to the rules' applications. The legislation is expected to enter into force before the end of the year.

Sources: EU Commission DG Trade, China Daily.com

#### AGREEMENT TO SET UP THE EUROPEAN PUBLIC PROSECUTOR

On 12 October, the Council agreed to set up a European Public Prosecutor's Office. Twenty Member States will join the initiative, in order to have a strong, independent and efficient body to fight transnational crime against the EU budget (import duties and anti-dump) and cross-border VAT fraud. Commissioner Günther H. Oettinger and Commissioner Věra Jourová said: Establishing the European Public Prosecutor's Office will be a real game-changer. "Many cases of fraud against the EU budget are transnational. We therefore need an institution which is able not only to investigate, but also to prosecute across borders. The future prosecutor will be doing exactly that. It will make sure that criminals are brought to justice faster and that more money is recovered, to the benefit of European taxpayers."

The twenty Member States which joined the initiative are: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Finland, France, Germany, Greece, Italy, Latvia, Lithuania, Luxembourg, Portugal, Romania, Slovakia, Spain and Slovenia, the European Parliament will have to give its consent, before the Regulation can finally be adopted. Other Member States may join the 20 founding members at any time after the adoption of the Regulation. Following the Council's agreement, the European Public Prosecutor's Office will be operational by early 2020.

# Maritime

#### FORWARDERS REAL INTEGRATORS IN LOGISTICS SUPPLY CHAIN

Sea freight forwarders are in a strong position to survive industry disruption from digitisation, but they must make better use of supply chain data or risk losing out to shipping lines and IT-driven logistics startups. In a defiant speech at the FIATA World Congress in Kuala Lumpur today, FIATA sea working group chairman Jens Roemer laid out a positive vision for the sector's future. "Many times the demise of traditional forwarders has been predicted, only to have been proved wrong. "But we will have to evolve and turn challenges into opportunities. Our industry has been flexible and adaptable to changes in the past, but the upcoming changes I expect to be much more dramatic," he told delegates.

Consolidation among shipping lines, he said, which has seen eight top-20 carriers disappear within two years, has led to large and powerful companies which will "invest and try to make the middleman redundant". "Shipping lines have fared badly in the past, but that does not mean that the future environment and digitalisation will see them fail again – the environment could be to their advantage. "The big boys in the trade are powerful and have substantial resources; they're often supported with state aid. They're lining up with IBM, Microsoft, Alibaba and others. "They're investing in blockchain technology and cloud computing, but they're also investing in the vertical integration to control the supply chain by buying into terminals, forwarders, and customs brokers; and in the process, challenging the traditional sea freight forwarder," he added. However, it is the freight forwarders that are the true supply chain integrators, according to Mr Roemer.

"Often forwarders are not acting as agents but as principals. By using their own bills of lading they often act as carrier. In the process they develop networks of owned offices and agents to become the real integrator of supply chain logistics that some shipping lines desire to become. "In fact, the shipping lines are the sub-contractors of the port-to-port part of the multimodal integrated services we offer." IT-driven logistics start-ups and freight platforms provided an additional challenge, he said. Start-ups are entering the market with "almost unlimited access to funds", but the capabilities they claim often fall short, in reality.

Furthermore, he said, forwarders had the opportunity to use supply chain data they already have to effectively beat start-ups at their own game. "Many forwarders sit on huge amounts of data, due to the fact that they have an international network, act as carrier and traditionally offer multimodal services that include pick-up to destination. "We are the integrators of container logistics in the supply chain, we have everything the shipping lines or start-ups want to achieve. All we need to do is identify the data we have – data we are virtually sitting on – make it available and analyse it. This will provide the supply chain visibility everyone talks about." As a potential solution, Mr Roemer proposed a central database to be managed by a neutral party, such as FIATA. "Without such a database, the industry risks losing out to powerful shipping lines, start-ups and multinational freight forwarders with all dedicated networks. FIATA and its national members are ideally positioned to operate such a central database," he argued.

Source: The Loadstar

#### GLOBAL BCOS HIT BY 4TH QUARTER OF RISING CONTRACT RATES FROM ASIA

Average contract rates on two major container trade routes - from Asia to North Europe and North America – have increased by another 4% between the second and the third quarter of this year. This means that the latest Drewry Benchmarking Club Contract Index has increased by 39% in the year to the third quarter, based on \$2 billion of ocean freight spending.

"The container shipping market has seen a sustained, radical reversal away from the previous, long deflationary trend," said Philip Damas, Head of Drewry's logistics practice. "Not only are freight costs increasing, but rapid consolidation in the supplier base, changes in supplier behaviour and new developments in tender technology will bring real change and uncertainty to the ocean transport procurement environment," he added.

Drewry reiterates its previous warning to BCOs that they need to re-think their contract negotiation strategy and that, by incorporating benchmarking and e-sourcing best practices such as eSOFS<sup>™</sup> in their tender management process, they can mitigate rate increases. Full benchmarking data on freight rates, detention and demurrage conditions and transit times are available to shippers within the benchmarking group, provided they meet the group's non-disclosure agreement clauses. Under the group's rules, Drewry is allowed to disclose in public only high level summary index numbers. Source: Drewry

#### MARTIN DORSMAN APPOINTED AS SECRETARY GENERAL OF ECSA

ECSA, European Community Shipowners' Associations has appointed Mr. Martin Dorsman (56) as its new Secretary General in Brussels. Mr Dorsman will start in his new position on November 1st 2017. M Dorsman will transfer to ECSA from the Royal Association of Netherlands Shipowners (KVNR) where he has held the position of Managing Director since 2011. Before taking that position he worked for five years as the association's Deputy Managing Director. Mr. Dorsman has also contributed to the work of organisations such as the International Chamber of Shipping, the European Sustainable Shipping Forum and has chaired ECSA's Shipping Policy Committee and Taxation Working Group.

# Rail

#### **ERTMS ROLL-OUT INSUFFICIENT**

The implementation of the European Rail Traffic Management System (ERTMS) is insufficient and too fragmented, states the European Court of Auditors in a report published earlier this month. The financial burden and a lack of individual economic incentives among infrastructure managers and railway companies are cited as the main reasons.

The auditors assessed whether the system had been properly planned, deployed and managed, and whether there was an individual business case for the parties involved. They visited Denmark, Germany, Spain, Italy, the Netherlands and Poland, countries where the system must be fully operational by 2030. The auditors concluded that the overall rollout was limited.

The limited rollout could be mainly explained by the reluctance of many infrastructure managers and railway undertakings to invest in the necessary equipment, of which the costs can be high. EU funding, even if better managed and targeted, can only cover a limited amount of the overall cost of deployment. Despite the strategic political decision to deploy a single signalling system in the EU, no overall cost estimate was performed to generate the necessary funding and its sources.

The auditors make a number of recommendations to the European Commission, the Member States and the European Union Agency for Railways concerning the assessment of deployment costs. These include the decommissioning of national signalling systems, presenting individual business cases for infrastructure managers and railway undertakings, developing compatibility and stability of the system, increasing he role and resources of the European Union Agency for Railways, alignment of national deployment plans, better monitoring and enforcement, an improved take-up of EU funds for rail signalling projects and better targeting of EU funding.

# Air

#### IATA-WCO COLLABORATION TO IMPROVE AIR CARGO EFFICIENCY AND SECURITY

The International Air Transport Association (IATA) and the World Customs Organization (WCO) announced that IATA's Cargo-XML messaging standard has been fully integrated into WCO's Cargo Targeting System (WCO CTS), a risk assessment tool available to WCO member countries worldwide.

The integration of Cargo-XML in the WCO CTS enables electronic communication between airlines and customs authorities using the IATA Cargo-XML standards format. This will make communication simpler and more effective, and facilitate more accurate risk assessments by customs authorities using the WCO CTS application to capture advance electronic cargo manifest information.

"Simplifying processes, enhancing efficiency; and maximizing safety and security are in everybody's interest--shippers, border authorities and airlines. Collaboration is critical. And the integration of Cargo-XML into WCO CTS is the latest example of the positive results that can be achieved. About a third of the value of goods traded across borders are transported by air. We look forward to the further expansion of our vital work with the WCO in support of efficient world trade," said Alexandre de Juniac, IATA's Director General and CEO.

"Effective electronic data exchange is integral for Customs authorities to build accurate risk assessments of cargo shipments. Integrating Cargo-XML into the WCO CTS will allow customs authorities using this tool to easily access detailed information about shipments, profile these shipments and identify those presenting a high-risk. Using standardized and quality information is key to enhancing security, expedite customs clearance, optimize customs resources and facilitate global trade," said Kunio Mikuriya, WCO Secretary General.

IATA's Cargo-XML eliminates the constraints posed by the traditional Cargo Interchange Message Procedures (Cargo-IMP) standard and is designed to promote broader and seamless data interfaces. Cargo-XML is recognized as the universal language for improving e-commerce and therefore facilitates growth in trade and encourages participation in global commerce through electronic data submission for all air cargo shipments.

#### **COMMISSION FUNDING FOR DRONE SAFETY**

The European Commission has called to speed up the implementation of EU-wide rules for the use of drones in the European Union. More than 1200 safety occurrences - including near-misses between drones and aircrafts - were reported in Europe in 2016, which underlines the pressing need for a modern and flexible EU regulatory framework. The Commission is therefore calling on the European Parliament and the Council to agree on its proposal from December 2015 establishing an EU-wide framework for drones. Pending this adoption, the Commission's <u>Single European Sky Air traffic management Research Joint Undertaking (SESAR)</u> – whose role is to develop the next generation of European Air Traffic Management – is today making half a million euro available to support the demonstration of "geo-fencing" services. Geo-fencing can automatically prevent drones from flying into restricted zones, such as the vicinity of airports.

Commissioner for Transport Violeta Bulc said, "Drones offer tremendous opportunities for new services and businesses. That is why we want Europe to be a global leader. I am confident our modern and flexible regulatory framework will give rise to new European champions in this sector. But safety always comes first. If we don't move fast enough, the near misses between drones and airplanes could one day have disastrous consequences. I am therefore calling on the European Parliament and the Council to swiftly agree on our proposal from December 2015."

Ensuring that drones can safely integrate the airspace alongside other users (such as aircraft) is fundamental. This is why the <u>Commission proposed in November 2016</u> to create an automated traffic management system for drones operating at low-level, referred to as the <u>"U-space"</u>. Geo-fencing is a key component of the U-space.

The call for proposals announced by SESAR aims to select one project demonstrating the active geofencing of drones flying below 500 feet (around 152 meters). It requires that drones users are provided with up-to-date information on no-fly zone as well as real-time alerts if they enter one. The project will build on the geolocation capabilities which are built-in in many drones today. This funding comes on top of an envelope of 9 million euros that has already been earmarked for exploratory projects <u>to</u> <u>speed up the development of the U-space</u>, such as the automatic identification of drones or droneto-drone communication.

Source: European Commission

# Sustainable Logistics

#### LAUNCH OF BLACK CARBON SUPPLEMENT TO GLEC FRAMEWORK

A <u>universal method to calculate black carbon emissions for the logistics supply chain</u> was released on 29 September by Smart Freight Centre (SFC) that was developed with support from the UN-led Climate and Clean Air Coalition (CCAC), as a supplement to the <u>GLEC Framework for Logistics Emissions</u> <u>Methodologies</u>. CLECAT is a member of the <u>Global Logistics Emissions Council</u>, which has developed the framework.

Black carbon, a byproduct of fossil fuel combustion, fires and cookstoves, is a short-lived, but extremely potent climate pollutant, with 3,000 times the global warming potential of carbon dioxide, and a serious human health hazard. Black carbon typically stays in the atmosphere for days to weeks,

and when on land, black carbon is linked to glacial melt in the Himalayas, earlier spring melt in the Arctic, shifting circulation patterns, and decreasing sea ice.

Transportation emits nearly 20% of global black carbon, which the Climate and Clean Air Coalition attributes to 3.2 million deaths per year. To raise awareness about black carbon's impact, the Global Green Freight Project released the Black Carbon Methodology for the Logistics Sector in order to enable companies to quantify their black carbon emissions. The Black Carbon Methodology provides a framework for calculating emissions from air, road, rail and sea transport.

It is a supplement to the GLEC Framework for Logistics Emissions Methodologies, produced by the Global Logistics Emissions Council (GLEC), a partnership of companies, industry associations and programs led by SFC, which provides a framework for carbon footprint calculations in the logistics sector. "Companies with transport activities in their direct activities or value chain can use the Black Carbon Methodology to estimate emissions from their transport activities with similar data needed for greenhouse gas emissions calculations," said Suzanne Greene, Advisor with SFC and the GLEC. The methodology provides a clear pathway for collecting additional data to refine estimates in areas where black carbon is more of a concern, such as in urban areas or near snow and ice.

As the freight transport sector grows in coming years, the impact of black carbon emissions will continue to grow - especially in developing countries, where technologies lag behind Europe and the US. Improved technologies can supply a quick fix, especially for diesel trucks - the biggest emitter from the transport sector. According to Dr. Cristiano Façanha, Program Lead at the International Council on Clean Transportation, "advanced vehicle technologies such as diesel particulate filters can reduce black carbon emissions by 99% from uncontrolled levels, thus bringing substantial climate and health benefits."

Black carbon has the potential to be a low hanging fruit for many logistics companies' climate strategies. Understanding the amount and location of black carbon emissions can help companies to strategize on reducing emissions through fuel efficiency and improved technologies. Director of MIT's Sustainable Logistics Initiative, Dr. Josué Velázquez-Martínez, sees a strong potential for black carbon to be included in sustainable logistics decision making alongside carbon dioxide. "The magnitude of the negative impact of black carbon make it a key element in logistics sustainability that will drive companies to a new era in measuring and reducing carbon emissions in the transportation sector."

Source: Smart Freight Centre

# Forthcoming events

#### **CLECAT MEETINGS**

#### Customs and Indirect Taxation Institute

20 October, Brussels

Supply Chain Security Institute / Air Logistics Institute 24 October, Paris

Maritime Institute

23 November, Barcelona

#### **CLECAT Freight Forwarders Forum 2017**

24 November, Barcelona

CLECAT Board meeting 24 November, Barcelona

#### **OTHER EVENTS WITH CLECAT PARTICIPATION**

AMAZON ACADEMY: DELIVERING INNOVATION 16 October, Brussels

EUROPEAN TRANSPORT FORUM 18 October, Brussels

ESPORG CONFERENCE 19 October, Brussels

ECG CONFERENCE 20 October, Brussels

EUROPEAN RAIL SUMMIT 7 November, Brussels

/ November, Drussels

DIGITAL TRANSPORT DAYS CONFERENCE 8-10 November, Tallinn

APAT CONFERENCE 10-11 November, Lisbon

THE FUTURE OF TRANSPORT 2017

6 December, Brussels

ALICE PLENARY + MEMBERS DINNER

13.12.2017, Brussels

#### **EP/COUNCIL MEETINGS**

#### European Parliament Transport and Tourism Committee

9 November 2017 22, 23 November 2017 4 December 2017

#### Transport, Telecommunications and Energy Council

24 October 2017, Luxembourg 4-5 December, Brussels (Telecommunications & Transport)

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