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Brussels news

COUNCIL GIVES GREEN LIGHT TO BREXIT PHASE TWO

Following last week's news on the agreement on the phase one negotiations achieved by the EU and the UK, the European Council has agreed today that sufficient progress has been made to move to negotiations on phase two relating to the transition and the framework of the future relationship. Moreover, the Council has agreed to negotiate a transitional period which should be part of the Withdrawal Agreement and be clearly defined and "precisely limited in time". Finally, the Council has stated that it "will calibrate its approach as regards to trade and economic cooperation" in light of the United Kingdom's wish to leave the Customs Union and the Single Market once the agreed transition period is over.

CLECAT welcomes the progress achieved during the first phase of negotiations and the decision of the Council to move to the second phase. The need for certainty in trade and customs is essential for business in Europe and the UK, and CLECAT supports a transition deal in order to guarantee a frictionless movement of goods and the maintenance of the good trade relationship between the UK and the European Union. Nonetheless, CLECAT shares the concerns of customs authorities on both sides on customs' capacity to adapt and cope with the future post-Brexit



deal. CLECAT has called for action to address the shortages of customs officials and the necessity of a transition arrangement (see [blog](#)). The transition period should be agreed as soon as possible, to give customs authorities and businesses from both sides of the channel time to prepare for the future relationship.

Sources: [Guidelines of the Council](#)

EUROPEAN PORTS FORUM FIRST MEETING

CLECAT attended the first meeting of the European Ports Forum, held on 11 December. The Forum, an initiative of DG MOVE, is intended to allow the Commission, Member States and industry stakeholders to discuss policy and competitiveness issues affecting European ports and the maritime transport and logistics sector.

The first meeting discussed implementation of the Ports Services Regulation, implementation of the General Block Exemption Regulation and the Commission's Blue Growth Strategy, as well as the market potential of ports and inland waterways and a presentation from the International Transport Forum on port-based greenhouse gas incentives.

The Forum will meet two or three times annually, and will also set up subgroups on Green Ports and Good Practice for Blue Growth.

CSR EUROPE WORKSHOP ON SUSTAINABLE LOGISTICS

On 12 December CLECAT participated in a CSR Europe workshop on Sustainability in Logistics. Aidan Flanagan presented CLECAT's views on sustainability in the logistics chain and the role of freight forwarders, including support for the [GLEC Framework](#) and work ongoing in the [LEARN Project](#) on logistics emissions reduction, as well as initiatives to boost supply chain collaboration and efficient last-mile distribution, while ensuring profitability and prosperity.

Along with participants from numerous logistics service providers, shippers and port authorities, discussions covered efforts to increase efficiency in port logistics, shipper activities to measure their carbon footprints and ensure the sustainable distribution of their products, and research projects such as NexTrust which aim to develop collaborative logistics business models based on data sharing. The benefits of multimodal supply-chain collaboration for sustainability were discussed at length, with transparency and trust-based data sharing identified as critical to the development of these concepts.

Rail

BULC HIGHLIGHTS 'HUGE UNTAPPED POTENTIAL' OF RAIL FREIGHT

During the Rail Freight Days event in Vienna last week Commissioner Bulc, in her key note opening speech, challenged the rail freight sector saying that 'rail is by far the first beneficiary of our main transport funding instrument. It accounts to 73% of CEF budget committed so far. But, as far as freight is concerned, rail only accounts for 11.9% of the modal share in 2015. If rail is to continue to receive the majority of CEF funding beyond 2020, something will have to change!' She continued: 'We need to come with successful results delivered by the projects we have financed so far (in view of the next



MFF). The Rastatt incident had huge consequences on traffic along the very busy Corridor Rhine-Alpine illustrating well the current difficulties to overcome: lack of cooperation between infrastructure managers, and railway operators; lack of efficient contingency plans; but also the persistence of interoperability issues.

She noted that there is ‘a clear risk that shippers and forwarders lose confidence in rail, sometimes in an irreversible way. Rail freight cannot afford this. This is why the quality of the services offered has to sharply increase.’ Whilst she welcomed the Rotterdam Ministerial Declaration and Rotterdam Sector Statement were adopted to boost international rail freight, she noted that results still have to materialise. However, good progress was registered for:

1. The Timetabling Redesign Project is now in place
2. Four pilot projects were implemented on four Rail Freight Corridors to improve customer experience.
3. An agreement between market players to further develop KPIs for rail freight services – stressing that KPIs play a crucial role in measuring and assessing progress.

The Commissioner’s speaking notes are available [here](#).

Road

EP BRIEFING ON SPECIAL PROVISIONS FOR POSTED WORKERS

The European Parliament has issued a [briefing document](#) on the rules on the posting of workers applying to the road sector, with a view to responding to concerns raised regarding the inadequacy of the Posting of Workers Directive provisions and administrative requirements, when applied to the road transport sector. establishes a three-day threshold for posting in a period of one calendar month, below which the host Member State’s social framework (minimum pay rates, minimum paid annual holidays) do not apply to international road transport operations. Above three days, these minimum social conditions apply for the entire period of posting. Minimum social rules should always apply to cabotage operations, which by definition take place entirely in the host Member State, irrespective of their duration and frequency. Lastly, the proposal provides for specific requirements and control methods to apply to road operators and drivers to check compliance with the Posting of Workers Directive’s provisions.

The initiatives in the first Mobility Package have already provoked a lot of debates between Member States, with some of the mostly Western European governments considering the existing legislative framework as prone to social dumping and having consistently argued for stricter rules, whereas others, primarily Central and Eastern European Member States, considering their lower labour costs as a competitive advantage in the EU Single Market. The fault lines in Parliament also tend to correspond to national, rather than political party, affiliation.

CLECAT has met with the office of [Merja Kyllönen \(GUE/NGL, Finland\)](#) who is preparing a draft report which will be issued for debate in the TRAN Committee in January. CLECAT remains of the strong opinion that the Posting of Workers Directive should not be applied to international transport.



The European Parliament is striving for reaching a common position on the majority of legislative proposals by June next year. The Estonian Council Presidency prioritised the social and market pillar. While the Council of Transport Ministers on 5 December discussed a progress report, a general approach is not expected until the upcoming Bulgarian Presidency, around March 2018. The co-legislators will then need to reach an interinstitutional agreement for the draft legislation to take effect.

EESC ADOPTS OPINION ON EUROVIGNETTE

The European Economic and Social Committee has published this week its opinion on Eurovignette adopted in Plenary session on 18 October. The EESC showed its concern on the fact that spending on road infrastructure maintenance has fallen, and welcomed the revision of the Eurovignette legislation in order to set common, harmonised standards. Nonetheless, the EESC warned of the risk of discriminatory practices and urged the European Commission and the Member States to take action against these practices.

The EESC considered that the introduction of a fair, transparent, non-discriminatory, non-bureaucratic system of road pricing which is proportional to road use will have overall a positive impact in combating pollution, congestion and ensuring investment to avoid the deterioration of road infrastructures.

Moreover, the EESC considered that the revenues collected should be allocated as follows:

1. Those revenues collected relating to the use of infrastructure should entirely go for the building, operating and maintenance of the road infrastructure
2. Those revenues connected with external costs should be earmarked for measures with the objective of mitigating the negative effects of road transport.

Finally, the EESC has estimated that the allocation of revenues could generate more than half a million new work positions.

The Opinion of the EESC can be accessed [here](#).

Customs

EU AND JAPAN FINALISE ECONOMIC PARTNERSHIP AGREEMENT

Trade Commissioner Cecilia Malmström and Japanese Foreign Minister Taro Kono announced the successful conclusion of the final discussions on the EU-Japan Economic Partnership Agreement (EPA). Building on the political agreement in principle reached during the EU-Japan Summit on 6 July 2017, negotiators from both sides have been tying up the last details in order to finish the legal text. This process is now finalised.

The conclusion of these negotiations is an important milestone to put in place the biggest bilateral trade agreement ever negotiated by the European Union. The Economic Partnership Agreement will open huge market opportunities for both sides, strengthen cooperation between Europe and Japan in a range of areas, reaffirm their shared commitment to sustainable development, and include for



The outstanding technical discussions that have taken place since July have included: stabilising the commitments of the EU and Japan on tariffs and services; settling on the final provisions for protection of EU and Japanese Geographical Indications; concluding the chapters on good regulatory practices and regulatory cooperation, and transparency; strengthening the commitment to the Paris agreement in the trade and sustainable development chapter; as well as clearing up a number of minor remaining issues in several parts of the agreement. The Economic Partnership Agreement will remove the vast majority of the €1 billion of duties paid annually by EU companies exporting to Japan, as well as a number of long-standing regulatory barriers. It will also open up the Japanese market of 127 million consumers to key EU agricultural exports and will increase EU export opportunities in a range of other sectors.

The announcement means that the EU and Japan will now start the legal verification of the text, also known as "legal scrubbing". Once this exercise is completed, the English text of the agreement will be translated into the other 23 official languages of the EU, as well as into Japanese. The Commission will then submit the agreement for the approval of the European Parliament and EU Member States, aiming for its entry into force before the end of the current mandate of the European Commission in 2019.

More detailed information and supporting documents can be found [here](#)

WCO RESOLUTION ON CROSS-BORDER E-COMMERCE

The WCO Policy Commission (PC) has adopted the Luxor Resolution on cross-border e-commerce during its meeting held from 4 to 6 December 2017 in Egypt.

The Resolution, developed in close collaboration with all stakeholders, outlines the guiding principles for cross-border E-Commerce addressing eight critical aspects, notably Advance Electronic Data and Risk Management; Facilitation and Simplification; Safety and Security; Revenue Collection; Measurement and Analysis; Partnerships; Public Awareness, Outreach and Capacity Building; and Legislative Frameworks.

The Resolution is aimed at helping Customs and other government agencies, businesses, and other stakeholders in the cross-border E-Commerce supply chain to understand, coordinate and better respond to the current and emerging challenges.

Additionally, and taking into consideration the relevance of the topic and the need to better position the work of the WCO and coordinate ongoing efforts, the Policy Commission has also issued a Communiqué to the Eleventh WTO Ministerial Conference (MC11), the Organization's highest decision-making body, attended by trade ministers and other senior officials from the WTO's 164 Members, held in Buenos Aires, Argentina, from 10 to 13 December 2017.

The Communiqué provides policy and operational frameworks for the effective management of cross-border E-Commerce from both a facilitation and a control perspective.

This initial work will be used as a basis to draft a WCO e-commerce framework of standards, to be finalised by March 2018 and then endorsed by the Council and the Policy Commission in June 2018.

The Resolution is available [here](#). The Communiqué is available [here](#).



WTO MEETING: A MISSED OPPORTUNITY

The 10-13 December the World Trade Organisation (WTO) Ministerial Conference brought together nearly 4,000 ministers, senior trade officials and other delegates from the WTO's 164 members and observers as well as representatives from civil society, business and the global media.

WTO members wrapped up their 11th Ministerial Conference (MC11) in Buenos Aires on 13 December with a commitment from members to secure a deal on fisheries subsidies which delivers on sustainable development goals by the end of 2019. In addition, members took a number of other ministerial decisions, including extending the practice of not imposing customs duties on electronic transmissions for another two years, and they committed to continue negotiations in all areas.

However, Ministers expressed their disappointment over the lack of progress. EU Trade Commissioner Cecilia Malmström, for example, expressed her disappointment at the failure of the Ministerial Conference to deliver any multilateral outcomes. During the closing session of the conference she said:

"All WTO Members have to face a simple fact: we failed to achieve all our objectives, and did not achieve any multilateral outcome. The sad reality is that we did not even agree to stop subsidizing illegal fishing. Now, I hope that several WTO members, whose actions here in Buenos Aires prevented an outcome, will use the time following this Ministerial meeting for valuable self-reflection"

Nonetheless, Commissioner Malmström also underlined that the work of the WTO continues and that many members recognised its central role to global trade and development and that there is need to intensify efforts to find solutions to important issues in the international trading system, such as on e-commerce.

Sources: [World Trade Organisation](#), [EU Commission - DG TRADE](#)

COMMISSION WARNS FOR TAX SCAM

The Commission is drawing attention to scam letters which fraudsters have been sending that:

- inform of the existence of an outstanding tax debt;
- demand immediate payment;
- threaten legal action in case of non-payment;
- claim to be sent by the "Tax Administration of the European Commission";
- bear the logo of the European Commission; and
- are signed by an official of the "Taxation and Customs" of the European Commission.

The European Commission and its departments never send individual letters regarding an individual's tax status or to demand payment of taxes. The taxation of individuals, including setting the tax rates, determining the tax base and the subsequent collection of the tax debt, is an exclusive competence of EU Member States. If companies have already received such a letter, they are advised to immediately terminate all further contacts with the fraudsters and to contact your local tax authority.

The European Commission is assessing what action can be taken with the law enforcement authorities of Members States to discontinue the reported scam and to possibly prosecute those responsible. Individuals that have received such letters should forward them to: EC-SECURITY-VOLSDELITTS@ec.europa.eu



Maritime

DREWRY PORT CONNECTIVITY INDEX

Unveiling the results of its port connectivity index, Drewry Maritime Advisers said that, while the world's largest container port, Shanghai, was also the most connected – serving all six world regions via 168 weekly deepsea services – in many other regions, secondary ports were very often better connected than their larger local rivals.

In North America, the main ports along its east coast almost uniformly offer greater global connectivity than the west coast hubs of Los Angeles and Long Beach, despite the Southern Californian port complex handling around 40% of the US's annual container traffic.

Drewry calculates that North America's most connected port is actually Savannah, ahead of New York, Norfolk and Charleston. Los Angeles comes sixth, behind Oakland. "Los Angeles and Long Beach do not score as highly in terms of connectivity as Savannah, despite being bigger ports. ECNA ports, such as Savannah, have connections to Europe, Asia and elsewhere due to their geography, whereas WCNA ports, such as Los Angeles and Long Beach, tend to have a more singular focus with Asia," Drewry explained.

Meanwhile UK shippers in search of their most connected port should head to London Gateway, which Drewry says has greater connectivity than either Felixstowe and Southampton, despite its significantly lower throughput. "It benefits from its range of trade areas served (all six possible world areas are served by direct services, whereas Felixstowe and Southampton only have five – both missing Oceania). Additionally, some of London Gateway's services 'score double' in the service count. For example, the CMA CGM/Hapag-Lloyd (NEWMO/EAX) and MSC (Australia Express) services to Oceania also call at Singapore, and so are counted as services providing connectivity to Asia as well," Drewry said.

Drewry has calculated port connectivity by counting the number of direct services – a port's feeder connections to deepsea services at another port are not counted – and the number of world regions these services directly connect it to. It does not include intra-regional trades, such as intra-Asia, which is now often classified as the world's single largest shipping trade in teu terms. "For shippers, port connectivity is as important as port size or scale. Having the widest possible range of direct services is a significant competitive advantage for all ports," it said.

Source: [The Loadstar](#)

Air

EU AVIATION RULES WILL NO LONGER APPLY TO POST-BREXIT UK

DG MOVE has issued a notice to operators subject to Union legislation in the field of air transport. Given the current uncertainty, the notice aims to clarify to air operator certain legal repercussions of Brexit. The UK departing from the EU will impact operating licenses, air transport agreements and aviation certificated.



The notice explains that once the UK departs from the EU in 2019, the UK will be considered a ‘third country’ and therefore its airlines will not be allowed to operate into, out of, or within the bloc unless they have obtained EU licences. In this regard, the notice clarifies that EU operating licenses granted by the United Kingdom Civil Aviation Authority will no longer be valid.

Moreover, it clarifies that the UK will automatically cease to be covered by air transport agreements of the Union (whether entered into by the Union or by the Union and its Member States acting jointly).

The notice can be accessed [here](#).

AIRFREIGHT CAPACITY CRUNCH

Airfreight in Europe reached full capacity two weeks ago, online pricing platform Freightos reported last week. High spot airfreight rates in the subsequent weeks have been high enough to motivate shippers to reconsider ocean shipping as a viable option.

In an article in AirCargoWorld Freightos WebCargo CEO Manel Galindo, said that ‘competition for airfreight capacity is pushing freight rates to prices that aren’t realistic, with forwarders paying more than US\$20 per kilogram for capacity from Europe to South America and offer rates as high as \$35 per kilogram. For freight with margins that can’t absorb those high costs, “many shippers are no doubt reviewing their mode mix and looking to shipping by ocean next year,” Galindo added.

Source: [Aircargoworld](#)

SCHIPHOL IMPROVES FREIGHT VOLUMES BUT LOSES FREIGHTERS

While arguments over slots continue in Schiphol Airport, full freighter movements have decreased 11.6% in November. Despite this figure, cargo volumes has declined by 1% in comparison with October’s 6%. This improvement of 5% is explained by a “strong market” and additional slots, explained airport’s head of cargo, Jonas Van Stekelenburg.

Schiphol’s slots problem has created a heated debate between those advocating for the maintenance of the existing 80:20 rule and those pushing for a 70:30 rule. Policy manager of air and ocean freight at Evofenedex, Rogier Spoel, argued in favour of the 70:30 rule given the difficulty for freighter operators to meet the 80:20 rule. He argued that the change of ratio was justifiable in order to help the cargo industry to continue to use major airports.

On the other hand, Lara Maugham, Head of worldwide airport slots at IATA has advocated for the maintenance of the existing rule by explaining that the problem comes from a lack of ad-hoc capacity and not from the 80:20 rule. In order to justify her position she explained that the same rule is applied in other airports such as Heathrow, Hong Kong and JFK. Therefore, a change of 10% ratio would be an arbitrary figure which would damage the equal treatment for passengers and cargo, and with not potential positive outcome for ending Schiphol’s slots problem.

While debates continue and carriers seek capacity, Emirates Skycargo is about to open a new service at Maastricht with three weekly cargo flights and potentially expanding to seven in March 2018.

Source: [Theloadstar](#)



Sustainable Logistics

LEAN & GREEN AWARDS

On 11 December, Ahlers Belgium, Gosselin Logistics and Jas Forwarding, 3 renowned Antwerp forwarders, won the Lean & Green award. The Lean & Green project, led by VIL and VEA, was organized for forwarders for the first time this year. This acknowledgement is being awarded to logistic companies who engage themselves to reduce their CO₂-exhaust by 20% within 5 years' time.

The three winners explained their action plans and analysis of how to reduce their CO₂ with the first results already being measurable. The winners explained that such an ambitious objective need of internal and external initiatives. Gosselin, Ahlers and Jas Forwarding each have their own accents towards customers, but the project managers see a bright future in a well handled modal shift and a mental shift that will be necessary. This could be achieved by optimizing the traffic of the goods of their customers and by convincing them to choose the most environmental friendly solution but still allowing them to keep an eye on their priorities. They expect that by making customers aware of the CO₂-exhaust certain choices are responsible for, they will also want an environmental friendly alternative.

Digitalisation

EU AGREES TO MAKE PARCEL DELIVERY MORE AFFORDABLE

On 14 December 2017, EU negotiators reached a provisional agreement to make prices for cross-border parcel delivery services more transparent and affordable and to increase regulatory oversight of the EU parcel market. The new Regulation is a key pillar of the Commission's efforts to [boost e-commerce](#) to allow consumers and companies, in particular SMEs, to buy and sell products and services online more easily and confidently across the EU.

The main elements of the new Regulation on cross-border parcel delivery are price transparency and regulatory oversight. While the Regulation does not impose a cap on prices, it will foster competitive pressure by allowing users to easily compare domestic and cross-border tariffs. Parcel delivery providers will have to disclose prices for the services individual consumers and small businesses often use, which the Commission will publish on a website. Where parcel delivery is subject to the universal service obligation, National Regulatory Authorities will assess whether tariffs for cross-border services are unreasonably high compared to the underlying cost – as they already do for postal services. National regulators will be given new powers to identify better parcel service providers and the services they offer. This will allow them to get a better overview also of the many innovative new players in the fast-growing EU cross-border e-commerce market. Traders also have to provide consumers with clear information on prices charged for cross-border parcel delivery and returns, and customer complaints procedures, in line with the [Consumers Rights Directive](#).

The provisional agreement reached by the European Parliament, the Council and the Commission now needs to be finally approved by the Parliament and the Council. It is expected to formally enter into force at the beginning of next year and it will be fully applicable in 2019.

More detailed information can be found on: [Digital Single Market](#)



Forthcoming events

CLECAT MEETINGS

CLECAT Road Institute

7 February, Brussels

CLECAT Workshop on the EU Customs Data Model

7 February, Brussels

CLECAT Customs & Indirect Taxation Institute

8 February, Brussels

Supply Chain Security Institute / Air Logistics Institute

28 February, Brussels

OTHER EVENTS WITH CLECAT PARTICIPATION

EU EXPORT CONTROL FORUM

19 December, Brussels

WOMEN IN TRANSPORT PLATFORM

23 January, Brussels

ELP LUNCH DEBATE | THE FUTURE OF MULTIMODAL TRANSPORT

30 January, Brussels

TEN-T DAYS 2018

25-26-27 April 2018, Ljubljana.

EP/COUNCIL MEETINGS

European Parliament Transport and Tourism Committee

11, 22, 23 January 2018

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