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Brussels news

CLECAT ROAD LOGISTICS INSTITUTE MEETS

The CLECAT Road Logistics institutes met in Brussels on 7th February to discuss development on the Mobility Package, in particular the draft reports which are currently under review in the TRAN Committee of the European Parliament on posting of workers in road transport, access to the road haulage market, weekly rest periods and road charging. Delegates also discussed the situation regarding secure parking across Europe, where there is a major lack of investment in adequate secure parking areas, as well as the draft response to the Combined Transport Directive.

CLECAT remains of the view that the EU must work for better and clearer legislation in the area of road freight transport to be controlled and enforced equally across the EU. The current legal uncertainties make that more and more country apply national special rules. At the same time there should be recognition for the fact that the transport and logistics industry is the backbone of the EU internal market and therefore should be clear to all parties and easy to implement and enforce. Whilst the rules should be socially just, they should not obstruct growth.

CLECAT strongly believes that posting rules should not apply to international transport (i.e. transit, bilateral transport and cross-trade). It will be extremely difficult to enforce, taking into consideration the administrative challenge and the national differences in remuneration systems, different social entitlements, different minimum paid holidays and different composition of minimum wages. This will disproportionately impact on the activities of SMEs. CLECAT also believes that the application of the

PWD to international transport will likely result in even more competition in the market due to the increase of self-employed drivers that do not need to comply with the posting rules.

CLECAT recommends MEPs to support the European Commission's proposal on access to the market simplifying the existing rules by moving from a trip-based to time-based cabotage. Reducing the number of days during which cabotage would be allowed to 48 hours, as proposed by MEP Jens Nilson, would largely restrict cabotage compared to the current situation. Freight forwarders are supportive of cabotage operations as it allows for a better use of available assets, improved efficiencies and thereby reductions in emissions.

The application of a *Lex Specialis* to cabotage should according to CLECAT be subject to a system which would largely reduce the administrative burden to operators, in particular SME's. CLECAT considers the possibility of the introduction of the IMI system interesting. The opportunities presented by digitisation to improve exchanges of information between Member States' authorities and operators should be assessed carefully and that the scope for introducing the one-stop shop principle on the basis of existing information exchange systems, including the IMI system, should be investigated. This should take away the burdensome requirements for 'pre-notification' to other member states for operators. However, until such a system is available and operational, the regulation should not be introduced.

CLECAT WORKSHOP ON THE EU CUSTOMS DATA MODEL

This week, several customs and logistics experts from across Europe gathered at the CLECAT workshop on the soon to be implemented EU Customs Data Model (EUCDM). The EUCDM is the data model for Customs trans-European systems (such as NCTS, ECS and ICS) and for Member States national systems (such as import, including [Centralised Clearance](#)). Therefore, the introduction of the EUCDM will imply a complete overhaul of almost all customs and private sector IT systems, new operational procedures and the re-education of professionals declaring goods to customs in the EU.

A major goal of the Union Customs Code (UCC) is the shift to a complete use of electronic systems and the end of paper-based procedures. Therefore, in the next few years, the EUCDM will replace the requirements of the (former) CCC IP for the paper based [Single Administrative Document](#). The EUCDM also contains the mapping of the data requirements against the [WCO Data Model](#). Since the adoption of the UCC, work is proceeding at an intensive pace on the modelling for the systems but work, on data harmonisation in particular, has been more challenging than anticipated. Harmonising the data in line with international data models ensures better linkages with third countries' IT systems and thus facilitates trade. However, this work involves a lot of investment in terms of time and financial means in fully reprogramming the existing electronic systems.

According to the EU Commission, the backbone of the EUCDM is the data provided by the private sector to customs authorities by means of the different declarations and notifications. [The members of CLECAT](#) (freight forwarders, customs brokers and other logistic service providers) provide more than 80% of all of those customs declarations and notifications. Therefore, CLECAT organised a first workshop on the EUCDM to inform the experts on the principles of the EUCDM, to analyse the most important of the 160 different data elements (previously called boxes) and to determine what issues should still be addressed by the EU Commission and the Member States. Overall, the experts concluded that the EUCDM is an improvement and a useful tool. However, as always with customs, the devil is in the detail and some important issues need to be addressed in order to fully implement the EUCDM before the end of 2020, without disrupting trade and logistics.



Members of CLECAT's Customs & Indirect Taxation Institute (CITI) met on the 8th February, the day following the workshop, for their first meeting in 2018. During the meeting several important topics were discussed including amendment proposals for the UCC, the implementation of the [Registered Exporter system](#) (REX), the IT state of play and planning (including the recently implemented [Customs Decisions System](#)) and several [VAT related issues](#).

SAVE THE DATE: CORE FINAL CONFERENCE - CREATING SECURE AND VISIBLE SUPPLY CHAINS



CLECAT and ESC are jointly organising the final CORE conference on the 11th April in Brussels to which all interested stakeholders are invited.

The goals of the final CORE conference are to present the new concepts applied by leading industry players in the logistics field that can be implemented across a wide range of situations, from the data pipeline concept, visibility platforms through enhanced track and trace solutions and trusted trade lanes.

From a €50-million project with 23 different work packages the event will seek to demonstrate results where we feel that the wider community of shippers, forwarders, carriers and others will find benefits. The event would also be interested in hearing on the feedback from stakeholders.

Concepts like coordinated border management, system-based supervision, and technologies guaranteeing seamless interoperability and bringing end-to-end visibility will demonstrate that the speed, reliability, and efficiency of global supply chains can be enhanced. At the same time, safeguarding the supply chain security and compliance supervision by the authorities will become much more effective.

To register for attendance, click [here](#).

Road

DSLVL JOINS THEFT PREVENTION WORKING GROUP

Cargo theft is a continuous problem around Europe, and Germany is no exception. With no official statistics from the police, DSLVL, the German freight forwarders association, alongside with other business associations have launched a joint initiative to tackle the increasing cargo thefts, which according to a new report amounts to €1.3 billion a year in losses. The new joint initiative, the '*Theft Prevention in Freight Transport and Logistics Working Group*' has been created with the aim of increasing the safety of transport logistics by means of higher safety standards and investments in locating technology, anti-theft alarm systems, immobilizers and secured parking spaces. Moreover, the new working group urges law enforcement agencies in Germany for greater support and action.

The estimated annual losses have been identified by joint calculations of several business associations, led by the Transported Asset Protection Association (TAPA). According to the analysis made, physical cargo carried onboard almost 26,000 trucks is stolen in Germany every year, averaging a new attack on a truck every 20 minutes. Apart from the value of the goods, further damages of €900 million should be taken into account from the penalties for delivery delays, the cost of replacing stolen products and repairing damage to vehicles targeted by cargo thieves.



Two of the biggest challenges identified in order to stop this trend of thefts are the low level of reporting and recording of cargo thefts, as well as the fact that many of the incidents of thefts from vehicles in Germany involve trucks which are registered and insured in other European countries. Nonetheless, the fact that German law enforcement agencies do not keep their own cargo crime statistics makes it more difficult to identify the causes and potential solutions to the problem.

IRU CALLS FOR “BRENNER PASS” DEAL SUSPENSION

In a recent statement addressing the issue of congestion on the A12 motorway and Brenner Pass in the Austrian Region of Tyrol, IRU calls for a suspension of the current restrictions and encourages a more evenly spread use of the transit corridor by heavy goods vehicles.

Reinforcing the need for alternative options, IRU highlights the failures to minimise the negative impact of block clearance on traffic fluidity and road safety, and questions the contribution to the improvement of air quality, while noting insufficient measures to facilitate combined transport use. The restrictive block clearance (Blockabfertigung) measures imposed by Tyrol stipulate that on certain days and timeframes only a maximum of 300 heavy goods vehicles can use the Brenner Pass motorway per hour on route to Italy.

Marc Billiet from the IRU commented: “The Tyrol block clearance should be suspended until sufficient alternative freight transit services are available, and measures to encourage a more evenly spread use of this transit corridor by heavy duty vehicles are required.”

Full story available [here](#)

TURKEY RATIFIES E-CMR PROTOCOL

Turkey is the newest country to opt for digital consignment notes, with its ratification of the e-CMR protocol on the 31th January 2018. A complete list of countries that have ratified the additional Protocol to the Convention on the Contract for the International Carriage of Goods by Road (CMR) concerning the Electronic Consignment Note is available [here](#).

EESC OPINION ON ROAD TRANSPORT MARKET ISSUES

The European Economic and Social Council published this week its Opinion on the proposal on access to the international road haulage market and the occupation of road transport operator.

The EESC showed its support for the objective of the Proposal to strengthen the competitiveness of the transport sector while ensuring a socially fair internal market. In its opinion, the EESC welcomed the efforts to ensure a level playing field in an unfragmented internal road transport market, avoid excessive administrative burdens on businesses, improve the clarity and enforcement of the regulatory framework and address abuse, such as the use of letterbox companies, non-transparent business models and illegal cabotage. The Committee stresses that the proposed amendments regarding cabotage can only be successfully and fairly introduced if provisions are introduced to make clear when provision of cabotage services ceases to be temporary and an obligation of establishment arises, and if the complete set of posting of workers rules applies to every cabotage operation without any exemptions.



The EESC questioned the incomplete way in which light commercial vehicles (LCVs) have been brought within the ambit of Regulation (EC) No 1071/2009 on admission to the profession and questions the added value of this measure, bearing in mind that those vehicles remain outside the scope of Regulation (EC) No 1072/2009. Therefore, it proposed that LCVs should be fully covered by Regulations (EC) No 1071/2009 and 1072/2009. Finally, the EESC regrets that Directive 92/106/EEC on combined transport is not addressed at the same time as Regulations (EC) No 1071 and No 1072/2009.

Source: [EESC](#)

Rail

EUROPE-ASIA PARTNERSHIP EXPANSION FOR DB CARGO

DB Cargo, which was one of the first European freight operators to embrace the launch of Asia-Europe container trains, has stepped up its role in the New Silk Road revolution by increasing its share to 60% in the Trans-Eurasia Logistics (TEL) German/Russia partnership.

In 2006, DB Cargo's parent company Deutsche Bahn and the Russian state railway RZD laid the groundwork for the new jointly owned company (TEL) to advance rail freight transport between Europe and Asia. TEL began operation in 2008 and dispatched its first container train in October of that year. The service took 17 days for the journey from Xiangtan to Hamburg. DB Cargo has been handling transports on the 10,000 to 13,000-kilometre-long route (depending on the departure and destination stations) with the specialists at TEL.

The expansion follows what DB considers an opportunity for doubling traffic in the next two to three years given the rising demand from various segments such as the automotive industry. Currently, DB Cargo handles 10 to 15 round trips a week.

Source: [Railfreight](#)

'CARGO UNDERGROUND' PROJECT WINS \$100M FUNDING

Investors have pledged CHF100 million for initial funding of a subterranean system for goods transport in Switzerland by 2030. *The 'Cargo Sous Terrain' (CST)*, also known as 'Cargo Underground', project aims to reduce the number of trucks on the country's increasingly congested roads by 20% and guarantee on-time deliveries to retail outlets in city centres and other built-up areas.

The Cargo Underground consists of building a network of subterranean tunnels or tubes, through which driverless wagons, powered along conveyor belt-type tracks by electromagnetic induction, would travel at speeds of between 30km and 60km/hour, carrying cargo on pallets and in containers, and providing "an integrated, fully-automated logistics system operating around-the-clock". With this new project, Switzerland estimates that the volume of the country's freight traffic will increase by 45% between 2010 and 2030.

The investors include major Swiss retailers, state rail subsidiary CFF Cargo, and Rhenus Alpina, a unit of Rhenus Logistics, the Swiss post office, Swisscom, a number of banking and insurance groups, Paris-based Meridiam, and China's Dagong Global Investment Holding Group.

Source: [Lloydsloadinglist](#)



Maritime

BOX LINE CONSOLIDATION LIMITING FREIGHT RATE RISES

Consolidation of the liner industry is currently capping freight rate rises rather than supporting pricing, but the trend will likely be reversed on mainline trades in the long-term, according to Drewry.

Analysts including Drewry have previously predicted that [consolidation could lead to a container line market 'oligopoly'](#), concerns shared by some shipper representatives. But Martin Dixon, head of research products at Drewry, said in a webinar last week that mergers and acquisitions had so far not dampened competition.

He said declines in East-West trade spot freight rates since last summer's peak season had taken place against a backdrop of solid load factors and rising bunker costs, a trend which illustrated the ongoing strength of competition between carriers. "What this indicates is the degree of competition between the carriers on these East-West trades," he said. "And particularly [this is true of] those carriers undergoing merger activities where they've been seeking to prevent any potential customer attrition and so have been very keen to protect their market.

"Of course, in any merger and acquisition activity, the biggest risk, or one of the biggest risks, certainly is the risk you lose customers and therefore you don't get the benefits of the acquisition." Following completion of the remaining liner deals that will see OOCL become part of Cosco and the three big Japanese carriers [merge their container operations to form the Ocean Network Express from April](#), the leading seven carrier groups, inclusive of all subsidiaries, will control approximately 90% of the active containership fleet as it stood on 1 October, said Drewry.

"In general terms, we expect industry M&A to support freight rates over the longer term as we believe it will lead to more stable control of capacity and on certain trade routes will increase concentration," said Dixon. "However, despite these developments, we still think that container shipping will remain competitive relative to other sectors."

Dixon said there was a slight recovery in spot freight rates last month, particularly on the eastbound Transpacific routes into the East Coast, but noted that average East-West rates in January were still around 15% lower than a year ago. "And we expect rates to weaken from mid-February following Chinese New Year," he added.

The full story is available [here](#)

Customs

UK NOTE ON BREXIT IMPLEMENTATION AND NEW EU DOCUMENTS

On 8 February, the UK government published its note which outlines further information on the UK's approach to [international agreements during the implementation period](#). The note can be seen as a reaction to notes the EU Commission published last week on the withdrawal of the United Kingdom and EU rules in the field of [customs & indirect taxation](#) and [import/export licences](#).



In the note, the UK proposes that third country agreements which apply to the UK in its capacity as an EU Member State should continue to apply to the UK in the same way for the duration of the implementation period. In other words, the UK would continue to be bound by the rights and obligations flowing from the agreements for this period. However, according to the UK, multilateral agreements to which the EU is a party raise different considerations and are therefore not covered by the UK's note.

The UK's proposal flows from the unique and time-limited nature of the implementation period. As the [UK Prime Minister set out in her Florence speech](#), this implementation period would be based on the existing structure of EU rules and regulations. Moreover, the UK's position is that the existing agreements are capable of operating and continuing to function both as between the EU and the UK and between the EU/UK and the third country or countries in question for the duration of the implementation period. From the perspective of each third country the agreements would continue to operate as they do now. The UK's view is that the best approach would be for the parties to confirm that, for the duration of the implementation period, these agreements continue to apply to the UK and that the UK is to be treated in the same way as EU Member States for the purposes of these agreements. This would be achieved by agreement of the parties to interpret relevant terms in these international agreements, such as "European Union" or "EU Member State", to include the UK.

For further clarification on various aspects, this week the EU Task Force for the Preparation of Brexit published a [position paper on "Transitional Arrangements in the Withdrawal Agreement"](#), which translates into legal terms the principles laid down in the European Council Guidelines of 29 April and 15 December 2017 and in the supplementary negotiating directives of 29 January 2018. The EU also published several documents for presentational and information purposes which include [slides on International agreements and trade policy](#), [slides on Services](#), which also includes logistic and transport services and [slides on Level Playing Field](#).

At a first glance, the UK's note seems largely in line with EU's position which was published last week in the [EU Council's article 50 negotiation directives](#). However, on the application of EU rules during the transition, the UK has requested a right of opposition in the case where it disagrees with a new rule or law which could enter into force during this transition period. According to the EU27, this is not in line with extending the *acquis* for a time-limited period, as was requested by the UK itself. There are also (new) disagreements over citizens' rights and Home and Justice affairs. In his speech on 9 February, Michel Barnier, Chief negotiator for the EU, said:

"Frankly, I am surprised by these disagreements. The EU's positions are, from my point of view, logical. By asking to benefit from the advantages of the Single Market, the Customs Union and common policies, the UK must accept all the rules and obligations until the end of the transition. Taking into account the recent disagreements, and to be frank, the transition period today is not a given. As I said, time is short, very short, and we do not have a minute to lose if we want to succeed. We want to succeed in this orderly withdrawal and also begin possible discussions on the future relationship as soon as possible. We need to simply build a legally solid withdrawal agreement, which leaves no uncertainty for anybody".

FIRST AIR SHIPMENTS SMART AND SECURE TRADE LANES PILOT

The first shipment as part of a pilot programme to streamline and secure Customs procedures between China and the European Union (EU) has arrived at Amsterdam Airport Schiphol from Shanghai. The WCO Customs to Customs pilot project, called [Smart and Secure Trade Lanes \(SSTL\)](#) aims to reduce lead times and Customs procedures, and increase security in the supply chain through data sharing between Customs.



For now, Schiphol is the only European airport chosen to take part in the pilot, which makes use of a platform developed and maintained by the WCO. The first import SSTL shipment which arrived was flown by Air China Cargo and booked by Yusen Logistics, one of the participants in the SSTL programme. Piet Boogaard, Managing Director, Yusen Logistics Northern Europe said:

“This is an important pilot programme, which will help reduce lead times and further secure the supply chain, and we are pleased to be taking part. As well as benefiting from faster release of goods and more predictable delivery times, we are proud to be supporting the development of standards that will strengthen and secure supply chains”.

The Customs authorities of countries participating in SSTL, which include EU member states as well as China and Hong Kong, are working together to recognise and make use of each other’s inspection findings, share risk information, and develop secure communication channels to achieve this. Until recently, the project focused solely on maritime freight flows, but the scope has now been extended to air transport and more SSTL flight routes are expected to follow.

Source: [Schiphol Cargo](#)

ANOTHER MEASURE IMPOSING ANTI-DUMPING DUTIES ON CHINA

The EU Commission this week [imposed definitive anti-dumping duties on corrosion resistant steel from China](#). The anti-dumping investigation confirmed that Chinese producers were dumping the product on the EU market, a finding that already led to imposition of provisional duties in August 2017. The measures, that will be in place for the next 5 years, range from 17.2% to 27.9%. Corrosion resistant steel is mainly used in the construction industry, for mechanical engineering, in the production of welded pipes and tubes and in the manufacturing of domestic appliances.

The value of EU market for corrosion resistant steel is estimated for €4.6 billion, 20% of which has been supplied by Chinese producers. This week’s measures should counter the downward pressure on sales prices that has been causing financial problems for EU producers, based mostly in Belgium, France, Poland and the Netherlands.

Imposing anti-dumping measures always leads to extremely high fiscal risks to importers and their customs representatives, even if they act as a direct representative. Either as intentional fraud or because of a lack of knowledge about trade rules, producers and sellers of anti-dumping products will try to avoid these duties. CLECAT therefore warns companies dealing with these goods to be careful with companies which, for example, “suddenly” move their production to another country.

Source: [EU Commission, DG Trade](#)

Sustainable Logistics

EP APPROVES ETS REVISION

MEPs approved the revised ETS Directive at the Parliament’s plenary sitting on 6 February. The new law, already informally agreed with EU Ministers, will accelerate the withdrawal of emission allowances available on the EU Emissions Trading System (ETS) “carbon market”, which covers around 40% of EU greenhouse gas emissions. It provides for:



- an increase in the yearly reduction of emission allowances to be placed on the market (so-called “linear reduction factor”) by 2.2% from 2021, up from the 1.74% planned at present; this factor will also be kept under review with a view to increasing it further by 2024 at the earliest;
- a doubling of the ETS Market Stability Reserve’s capacity to mop up excess emission allowances on the market: when triggered, it would absorb up to 24% of excess allowances in each auctioning year, for the first four years, thus increasing their price and adding to the incentive to reduce emissions.

A modernisation fund will help to upgrade energy systems in lower-income EU member states. MEPs tightened up the financing rules so that the fund is not used for coal-fired projects, except for district heating in the poorest member states. An innovation fund will provide financial support for renewable energy, carbon capture and storage and low-carbon innovation projects.

Should the IMO fail to come up with a global measure on shipping emissions from 2023, maritime transport will be included in the ETS from that date.

The law also aims to prevent “carbon leakage”, i.e. the risk that companies might relocate their production outside Europe due to emission reduction policies. The sectors at the highest risk will receive their ETS allowances for free. Less exposed sectors will receive 30% for free. The text was approved by 535 votes to 104, with 39 abstentions. It will now go back to Council for formal adoption before publication in the EU Official Journal.

Source: [European Parliament](#)

Forthcoming events

CLECAT MEETINGS

Supply Chain Security Institute / Air Logistics Institute
28 February, Brussels

CLECAT Customs & Indirect Taxation Institute
24-25 May, Location to be determined

CLECAT BOARD/GENERAL ASSEMBLY
29 June, Sofia, Bulgaria

OTHER EVENTS WITH CLECAT PARTICIPATION

WINDOW POLSKA - POSTING OF WORKERS IN INTERNATIONAL TRANSPORT
21 February 2018, Brussels

ALICE – LEARN Event
7-8 March, Brussels

FIATA WORKING GROUP ROAD TRANSPORT
14 March, Zurich



SIDLEY AUSTIN ROUND TABLE CONFERENCE: HOW TO PREPARE FOR BREXIT?

15 March, Brussels

FIATA HEADQUARTERS SESSION 2018

15-17 March, Zurich

HIGH-LEVEL CONFERENCE ON EUROPEAN MULTIMODAL FREIGHT TRANSPORT

20 March, Sofia

AIR FREIGHT PANEL TLF/CLECAT

20 March, Paris

CORE FINAL CONFERENCE

11 April, Brussels

GLEC MEETING

15 May, Copenhagen

ALICE PLENARY

22 June, Amsterdam

TEN-T DAYS 2018

25-26-27 April 2018, Ljubljana

ITF 2018 Summit: "Transport Safety and Security"

23 - 25 May 2018, Leipzig

EP MEETINGS

European Parliament Plenary Session

28 February – 1 March 2018, Brussels

European Parliament TRAN Committee

19-20 February 2018, Brussels

20 February 2018, Brussels

26-27 February 2018, Brussels (Extraordinary meeting)

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