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Brussels news

CLECAT DISAPPOINTED BY GENERAL APPROACH ON POSTING

On 3 December, the Council agreed its [general approach on the road freight transport proposals from the first Mobility Package](#), including drivers' working conditions, special posting rules for drivers in international transport, access to the haulage market, and improved enforcement.

CLECAT has expressed its disappointment about the Council's General Approach, as it in no way responds to the need for simple, uniform, clear and easily enforceable rules which would facilitate transport operations, protect the workers employed in this industry and ensure a fair competitive environment. There will be serious important adverse consequences of the General Approach which will put an end to the efficiency and environmental gains that European road freight transport has achieved thanks to the Single Market.

CLECAT believes that the agreement of the Council by no means responds to the complexities of today's transport operations. Intra-EU trade has developed beyond bilateral import/export trade and so have EU's transport systems. Excluding bilateral transport plus 2 operations through the same Member States is far from sufficient to guarantee a well-functioning internal market for road transport. The text, if implemented, would create unnecessary empty runs on EU roads. It limits flexibility, growth and efficiency and increases costs and administrative burden for business, in particular for SMEs.

One of the objectives of the review of the legislation was to simplify enforcement of cabotage. The Council has made current cabotage operations more complex by adding a cooling off period even though posting rules already apply as of day 1. It would lead to considerable efficiency losses and capacity gaps in road freight transport. Furthermore, it would restrict labour mobility as the suggested regulatory requirements would result in different salary levels depending on the type of transport; this is counterproductive and creates confusion for European drivers operating intra-EU and for third country drivers operating on a permit-basis in the EU.

CLECAT has urged the Members of the European Parliament to strive for a competitive and enforceable international transport policy by fully excluding international transport from posting rules and no cooling-off period for cabotage operations.

The Council's general approach is available [here](#).

COUNCIL GENERAL APPROACH ON COMBINED TRANSPORT

The Transport Council adopted on Monday also its negotiating position (general approach) regarding the amendment of the Combined Transport Directive. CLECAT has expressed disappointment on the results as the proposal abandons some of the important elements proposed by the European Commission, which would make combined transport interesting for freight forwarders.

The Council has eliminated domestic combined transport from its scope, introduced a transit clause giving Member States the choice not to apply the support measures to a road leg which is transiting its territory and the possibility to impose cabotage restrictions. Member States are put in charge of defining what makes a terminal 'nearest suitable', which would put a further end to the objective of harmonisation.

CLECAT is concerned that with a very restrictive directive with regards to the road leg, logistics companies will abandon combined transport and simply make use of road freight transport operations. The risks of non-compliance and sanctions becomes obvious in case of many different national rules and interpretations.

The Council's general approach is available [here](#). You can find CLECAT's position paper on the revision of the Combined Transport Directive [here](#).

COUNCIL GENERAL APPROACH ON MARITIME SINGLE WINDOW

The Council also reached a general approach on Monday on a proposal to bring together all reporting formalities associated with a port call, under a system called a European maritime single window. The European maritime single window environment will address the issue of numerous, non-harmonised reporting obligations by linking the existing national maritime single windows together in a coordinated and harmonised way. The reform will improve interoperability between various systems, making it much easier to share and reuse data. A more streamlined and digitalised reporting system will improve the competitiveness of the shipping sector compared to other means of transport. The general approach constitutes the Council's position for negotiations with the European Parliament.



Road

ITF REPORT: REMOVING BARRIERS TO ZERO-EMISSION ROAD FREIGHT TRANSPORT

The OECD's International Transport Forum (ITF), an intergovernmental think tank for transport policy, has published a report that identifies proven measures to decrease CO2 emissions from road freight. To avoid the negative effects of road freight activity at least doubling by 2050, the report highlights policy areas that need adjustment for effective decarbonisation of road freight and points to fields where more robust evidence through further research is needed. The full report can be accessed [here](#). The publication of the report was announced on 4 December at the Brussels-based event, organised jointly by the International Council on Clean Transportation (ICCT) and the Öko-Institut.

Dedicated to encouraging a shift to zero-emission heavy-duty transport, the event focused on the recent research and new developments in technology, costs and markets. Featuring government and industry representatives, the panel explored how the efforts to implement carbon-neutral technologies at the national level can be scaled up to a European level, helping to achieve climate change, air quality, and clean energy goals.

On behalf of DB Schenker, Ms Andrea Schön shared a practical perspective on removing barriers to the zero-emission heavy-duty road freight transport. She advised on encouraging production by the manufacturers (OEMs) through regulation (i.e. standards) and incentives (i.e. funds), stating that the heavy-duty vehicles CO2 emissions targets, currently being discussed by European institutions, are feasible. Furthermore, vehicle owners should be provided with a better access to information on available funding and how to benefit from it. Also, help is needed to provide a critical mass of demand to drive OEMs to technology migration. Eventually, Ms Schön encouraged setting up business cases together with customers (shippers), suppliers (transport providers) and OEMs, and developing a scaling roadmap together with all the actors in the supply chain.

Rail

RAIL FREIGHT DAY 2018



On the occasion of the Rail Freight Day in Vienna Ivan Petrov, CEO of TransExpress and Secretary General of CLECAT, was invited to speak in the final panel discussion on 'Rail Freight: the way forward'. Mr Petrov argued that improving service quality, an improved framework for delivering competition and promoting multimodal transport through the strengthening of combined transport are the top 3 priorities which need to be addressed to provide a boost to rail freight transport in the coming 2-5 years. Furthermore, he shared his views on how a revision of the Rail Freight Corridor Regulation can help addressing these issues,



especially focusing on the need for transparency and evaluation of progress, as well as access to the corridors.

During the morning session, which included keynote speeches by Norbert Hofer, Austria's Federal Minister for Transport, Innovation and Technology, and Matthew Baldwin, Deputy Director General of DG MOVE, the Sector Statement Group presented its Comprehensive Progress Report which outlines the progress made on the ten priorities of the Sector Statement (see Article below for more information).

The Austrian Presidency of the Council of the European Union used this opportunity to present a political progress statement as a follow-up to the Ministerial Declaration agreed during the TEN-T days 2016 in Rotterdam. In this paper, Austria addressed the ten priorities and welcomed the continuous work of the sector stakeholders.

Various panel sessions discussed the challenges which the rail freight sector is facing, specifically how to improve rail freight's competitiveness in a challenging environment, providing high-quality capacity for rail freight traffic, solving technical and operational barriers for rail freight and strengthening rail freight in a multimodal transport system.

SSG OUTLOOK ON THE SECTOR STATEMENT

During the Rail Freight Day, the Sector Statement Group (SSG), of which CLECAT is a member, presented its progress in implementing the Sector Statement, which was agreed at the TEN-T Days 2016 in Rotterdam. The recently adopted [Comprehensive Progress Report](#) was presented, which outlines the progress made in each of the ten priorities identified for boosting international rail freight. The report is based on the information received from the sector priority rapporteurs and makes an assessment of where specific attention may be focussed on in the coming two years at sector- and EU level. By implementing the Sector Statement, starting with the ten priorities, the rail sector is committed to increasing international rail freight's competitiveness, unlocking the huge growth potential for longer distance freight, and promoting rail's key role in a sustainable transport system.

The SSG presented a joint non-technical paper, entitled '[Outlook on the Sector Statement](#)' which highlights the benefits that the ten priorities are expected to bring to the sector. This paper accompanies the Comprehensive Progress Report of the Sector Statement and has a particular focus on the end customer.

The report concludes that the railway sector associations and their members have a sustained commitment to enhancing the competitiveness of international rail freight, and to improving the quality, reliability and efficiency of transporting goods across Europe. To deliver on these objectives, strong commitment from the national and European authorities is needed to support these efforts.

Maritime

FEPORT 4TH ANNUAL STAKEHOLDERS' CONFERENCE

On 29 November, the Federation of European Private Port Companies and Terminals (FEPORT) held its 4th Annual Stakeholders' Conference in Brussels, Belgium. This year, the debate focused on the role



of multimodal transport networks and digital platforms in helping EU economic actors overcome uncertainties weighing on regional and global trade.

During the morning session, the future sea transport in Europe was discussed, as well as the competition angle of liner shipping regulation in different regions. Delegates were given a global overview on where countries stand in terms of trade logistics according to the Logistics Performance Index (LPI) and were also introduced to the World Economic Forum's global approach to trade and transport, pondering whether technology offers the ultimate solution to restoring trust in trade.

The afternoon sessions were dedicated to exchanges between industry representatives and EU policy-makers on data ownership and sharing, digital connectivity and open platforms, the interoperability of different digital systems and the need for a level playing field within supply and logistics chains. Given the advantages of a truly multimodal transport system, the panellists emphasised the necessity for certain framework conditions in order to reap the benefits of multimodality. In particular, the emphasis was put on improving rail freight efficiency and competitiveness, as well as speeding up the integration of rail freight into the digitised systems.

Nicolette Van der Jagt, General Director CLECAT, was invited to speak at a panel on connectivity and digitalisation. She reiterated the need for the best possible level of digital and physical connectivity. More single windows are also required, in addition to mutual recognition of the various systems and the better use of what is already in place. She also welcomed efforts to eliminate paper-based documentation and supported a shift towards the digitalised system.



With regards the consultation on the liner shipping block exemption she noted that the emerging digitalisation initiatives could potentially provide carriers with information on land-side transportation and logistics that they could use to strengthen their position as global integrators. Suspicion has also been expressed that carriers are using their positions within integrated logistics groups to undercut forwarders by charging demurrage to merchants who arrange the transport in merchant haulage but waive the charge for

merchants for which they arrange the transport in carrier haulage. Referring to a survey recently carried out by CLECAT, she remarked that it evidenced: a reduction in meaningful choice of carriers and a reduction in competition, price and quality. Moreover, it showed that reliability is falling. Global systems are becoming more reliant on IT, but many such systems do not understand the knowledge required to foster quality logistics. Regarding the alliances, she said that carriers were exempt from competition rules in a generous way. CLECAT will shortly issue its position paper and align with the ITF – in calling for a repeal of the BER for consortia.

Overall, the Conference concluded that multimodal connectivity and digital connectivity must go together to unleash the potential of different transport modes. Furthermore, there are tremendous opportunities for business due to the development of such technologies as blockchain. Yet, businesses must be agile and ready to respond, and the regulators must clarify rules regarding data ownership and exchange. Eventually, it was noted that fair trade requires a level playing field and the harmonisation of competition rules.



NEW US BILL REVISES SHIPPING ACT

A law signed by President Trump this week has provisions designed to protect U.S.-based marine terminal operators and other domestic businesses such as harbor pilots, tug operators and equipment suppliers “from being forced to accept pricing from the ocean carriers in concerted action that will threaten their long-term sustainability and impede future investment in infrastructure and technology,” says the law firm Holland & Knight.

The legislation was drafted in reaction to consolidation in the global shipping industry and is contained in the Federal Maritime Commission Authorization Act of 2017, which was incorporated into the Frank LoBiondo Coast Guard Authorization Act of 2018 that the president signed on Tuesday.

The law grants the FMC authority to investigate any ocean carrier alliances that engage in anti-competitive action during negotiations with other maritime industry players such as stevedores and marine terminal operators, tug boat companies that berth ships and bunkering companies. The provisions include the following:

- The FMC must review the effects of alliances on an annual basis and include this information in its report to Congress.
- Carrier alliances are prohibited from engaging in collective negotiation that would result in excessive anti-competitive impacts (i.e. unsustainable rates, reductions in capacity).
- The FMC will consider the aggregate effect of carrier alliance agreements on competition when determining whether to seek injunctive relief against certain activities.
- Carriers cannot participate in both a rate discussion and vessel sharing agreement operating in the same trade if such participation results in a reduction in service or increase in transportation cost.
- The DOJ will continue to have authority to prosecute anti-competitive behaviour in violation of U.S. antitrust laws.

Another provision prohibits a person from acting as an ocean transportation intermediary OTI (that is, an NVOCC or ocean freight forwarder) “unless the person holds a valid license. Coupled with recent FMC rulemaking that extends a ‘registration’ requirement to foreign-based NVOCCs handling U.S. inbound trade, these changes give the FMC more comprehensive oversight on OTIs while simultaneously reducing administrative compliance burdens on the industry.

Full story is available in [American Shipper](#)

Air

AIR FREIGHT GROWS BY 3.1%

On 5 December, IATA released its [air freight market analysis for October 2018](#), which analyses data for global air freight markets, showing that demand, measured in freight tonne kilometres (FTKs), rose by 3.1% in October 2018 year-on-year. This pace of growth was up from a 29-month low of 2.5% in September. It showed that freight volumes have continued to trend upwards into the traditional period of strong demand and all regions, except Africa, reported year-on-year demand growth in October.

Simultaneously, freight capacity, measured in available freight tonne kilometres (AFTKs), rose by 5.4% year-on-year, marking the eighth consecutive month in which capacity growth outstripped demand.



This growth has been supported by growing international e-Commerce and an upturn in the global investment cycle and the traditional period of strong demand during the final quarter of the year. However, demand continues to be negatively impacted by a contraction in export order books in all major exporting nations in October, longer supplier delivery times in Asia and Europe, as well as weakened consumer confidence compared to the very high levels at the beginning of this year.

Alexandre de Juniac, IATA's Director General and CEO commented: "Cargo is a tough business, but we can be cautiously optimistic as we approach the end of 2018. We must be conscious of the economic headwinds, but the industry looks set to bring the year to a close on a positive note."

Source: [IATA](#)

Sustainable Transport

GLOBAL LOGISTICS EMISSIONS COUNCIL DISCUSSES THE UPDATE OF GLEC FRAMEWORK

Last week, the Global Logistics Emissions Council (GLEC) meeting took place in Bonn, Germany, with an aim to share experiences about different approaches to greenhouse gas (GHG) calculation and reporting and explore how the GLEC Framework can help freight forwarding companies reduce their carbon footprint.

The GLEC Framework for Logistics Emissions Methodologies is the leading methodology for freight transport that allows companies to consistently calculate their GHG footprint across the global supply chain. The Framework is currently undergoing an update to include more accessible wording and graphics, more flexible structure and a wider range of default transport consumption factors for all transport modes. The methodology has been worked out further for inland waterways, sea and ports and warehouses. In addition, a 'GLEC Declaration' is in development to provide companies with a menu of options to disclose logistics emissions-related data to customers and external stakeholders.

The EU-funded Logistics Emissions Accounting and Reduction Network project (LEARN), of which CLECAT is a member, supports GLEC Framework implementation through guidance, training and education, as well as practical MRV testing and policy recommendations. On 6-7 February 2019, LEARN project partners are hosting an international workshop with the aim to discuss project learnings based on the practical examples of emissions calculation, assurance and reporting. The event will also explore how to further support businesses through policy, research and training. The full two-day agenda and the registration form can be found [here](#).

DG MOVE CONFERENCE ON MULTIMODAL SUSTAINABLE TRANSPORT

On 17 December, DG MOVE is organising a conference entitled 'Multimodal Sustainable Transport: Which role for the internalisation of external cost', during which stakeholders will have the opportunity to discuss first hand insights from a study on sustainable transport infrastructure charging and the internalisation of transport externalities.



More specifically, key sector experts will share their views on setting the right price for transport. Stakeholders will have the opportunity to discuss and understand the external costs across transport modes, the extent to which the "user pays" and "polluter pays" are implemented in the EU for the different modes, as well as how the 'playing-field' can be balanced and how to better manage the impact of externalities.

The event is organised as part of the 2018 Year of Multimodality which Commissioner Bulc has called for to promote the functioning of the transport sector as a fully integrated system, making better use of existing capacities in all transport modes and improving efficiency of the logistics chains.

The draft agenda is available [here](#). The registration form is available [here](#). Please note that the event will also be livestreamed.

Brexit

EU TARIFF RATE QUOTAS AFTER BREXIT

On 7 December, the EU has decided on the tariff rate quotas (TRQs) it will apply after Brexit in respect of a number of agricultural, fish, industrial and processed agricultural products. EU ambassadors today endorsed a deal with the European Parliament on the [draft regulation setting these new quotas](#).

TRQs reflect the maximum quantity of imports of a given category of goods on which a country member of the World Trade Organization (WTO) has pledged to charge low import duties rates. The UK's withdrawal from the EU has implications beyond the bilateral relationship between the EU and the UK, in particular with regards to their commitments under the WTO Agreement. The existing quantities of the EU's TRQs for agricultural, fish, industrial and processed agricultural products have been established on the basis of the UK being an EU member state and forming part of the EU's single market. It is therefore necessary to reflect the fact that the EU's WTO schedule will no longer apply to the UK after its withdrawal from the EU.

The adjustment of the EU's TRQs entails dividing up the existing quantities between the UK and the EU, based on previous trade patterns. The EU will have to engage in negotiations with WTO partners for each of these tariff rate quotas. However, in the interest of maintaining clarity and predictability in the multilateral trading system, the EU needs to be able to proceed unilaterally to the dividing up of tariff rate quotas for the period between the UK's withdrawal from the EU and the conclusion of a final agreement within the WTO.

Following its formal adoption by the European Parliament and the Council, the regulation will enter into force on the day of its publication in the Official Journal of the European Union. The new TRQs will apply as from the day after the UK's withdrawal from the EU.

Source: [EU Council](#)

UK DRAFT WTO SERVICES COMMITMENTS

On 3 December, the UK submitted a draft schedule outlining its WTO commitments for services once the UK leaves the EU. The UK considers that notification to be a rectification of its concessions and



commitments under the WTO, on the grounds that the schedule replicates, as far as possible, the UK's WTO concessions and commitments as a Member of the EU.

WTO Members now have 45 days to review the schedule before certification. If no objections are made by the end of this period, the UK's services schedule will be considered to be certified. The UK will continue to trade on current EU terms while the separate EU withdrawal negotiating process between the UK and the EU is ongoing.

Source: [World Trade Organization](#)

Customs

COUNCIL ADOPTS QUICK FIXES TO EU VAT SYSTEM

On 4 December, the Council adopted three short legislative acts aimed at adjusting some of the EU's VAT rules in order to fix four specific issues pending the introduction of a new VAT system. These adjustments are due to apply from 1 January 2020. The four quick fixes relate to call-off stock, the VAT identification number, chain transactions (ABC-transactions) and proof of intra-EU supply.

With regards to call-off stock, the text should provide for a simplified and uniform treatment for call-off stock arrangements, where a vendor transfers stock to a warehouse at the disposal of a known acquirer in another member state. Concerning the VAT identification number, to benefit from a VAT exemption for the intra-EU supply of goods, the identification number of the customer will become an additional condition. As for the chain transactions, the texts establish more uniform criteria, proof of intra-EU supply in order to enhance legal certainty in determining the VAT treatment of chain transactions. In terms of intra-EU supply, a common framework is established for the documentary evidence required to claim a VAT exemption for intra-EU supplies.

In parallel, discussions are ongoing on a definitive VAT system to replace the current 'transitional' VAT arrangements, applied since 1993. Pending introduction of the new system, the previously mentioned four short-term 'quick fixes' are proposed.

Source and the legislative acts: [EU Council](#)

NEW AGRI-FOOD CHAIN LEGISLATION

On 5 December, CLECAT attended the Advisory Group meeting on the state of play of the Delegated and Implementing acts related to entry into the EU that are being developed under [Regulation \(EU\) 2017/625 on Official Controls](#). The Official Controls Regulation (OCR), which entered into force in April 2017, governs the performance of official controls and other official activities undertaken to ensure the application of the Union agri-food chain legislation and aims to secure a more harmonized, efficient and transparent regulatory framework. The rules will be gradually phased in, to give EU countries and industry the time to adapt. For most rules the application date is 14 December 2019.

During the meeting on 5 December, the European Commission provided updates on the empowerments falling under the provisions that govern the monitoring of consignments from the Border Control Post (BCP) of arrival to destination, model certificates issued following specific official controls, the conditions under which the Common Health Entry Document (CHED) is required to



accompany consignments to the place of destination and coordinated performance of intensified controls.

CLECAT has been following the developments concerning the OCR closely and will continue to do so given the important implications they have for the logistics, freight forwarding and customs services industry. The new legislation provides several major opportunities like risk-based approach to imports, digitalisation of paper certificates, possibilities to delegate official control tasks and possibilities to perform checks at other places than BCPs. However, despite all good intentions of the OCR, there is still a risk that burdens could increase while implementing the new legislation in practice. For example, if excessive and unnecessary data is required, processes do not match the reality of international trade and transport or insufficient implementation time is provided. Therefore, the process of defining the Delegated and Implementing Acts in the right way remains crucial.

More information on the OCR: [Legislation on official controls](#)

UPDATE ON COUNTRIES APPLYING THE REX SYSTEM

On 5 December, the European Commission [published an update of the list of countries applying the Registered Exporter System \(REX\)](#). There are still several beneficiary countries which have not yet applied the REX system, even though the transition period will end as of 1 January 2019. For some countries, such as Bangladesh, the transition period has been extended with one year.

The Registered Exporter system (the REX system) is the system of certification of origin of goods that applies in the Generalised System of Preference (GSP) of the EU since 1 January 2017. It is based on a principle of self-certification by economic operators who will make out themselves so-called statements on origin. To be entitled to make out a statement on origin, an economic operator will have to be registered in a database by his competent authorities. The economic operator will become a 'registered exporter'.

The REX system will progressively and completely replace the current system of origin certification based on certificates of origin issued by governmental authorities and on invoice declarations. The global transition period from the current system of origin certification to the REX system started on 1 January 2017 and will last until 30 June 2020 at the latest. In case a beneficiary country does not apply the REX before the end of its transition period or has not requested an extension to the transition period, preferential origin will not be established, and duties will have to be paid.

Source: [European Commission](#)

Forthcoming events

CLECAT MEETINGS

CITI Customs Indirect Taxation Institute meeting

31 January - 1 February, Brussels, Belgium



OTHER EVENTS WITH CLECAT PARTICIPATION

Export Control Forum

13 December, Brussels

ALICE meeting

13 December, Brussels

EVO/FENEDEX Air Freight Seminar

13 December, Brussels

Multimodal Sustainable Transport: Which role for the internalisation of external cost

17 December, Brussels

LEARN International Workshop

6-7 February, Brussels

EP MEETINGS

European Parliament Plenary

10-13 December, Strasbourg

European Parliament TRAN Committee

10 January, Brussels

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