

NEWSLETTER

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Brussels news

WHO BEARS THE COSTS OF EU TRANSPORT

On Monday 17 December, CLECAT will join the event 'Multimodal Sustainable Transport: which role for the internalisation of external costs.' The event will discuss first insights from a study on sustainable transport infrastructure charging and the internalisation of transport externalities.

During the conference, key sector experts will share their views on setting the right price for transport and the event will debate external costs across transport modes; the extent to which the "user pays" and "polluter pays" are implemented in the EU for the different modes; how the 'playing-field' can be balanced and how to better manage the impact of externalities.



While many studies have been carried out and also individual initiatives have been taken forward on this basis, notably on road pricing in the Eurovignette Directive, a comprehensive upto-date overview of the external effects compared with internalisation measures of different transport modes has been missing. A systematic analysis of transport infrastructure costs is also not available. This is why the European Commission services have decided in 2017 to try and establish in a comprehensive way the underlying facts and figures, with a view



to inform future policy debates. The Commission has assessed the external and infrastructure costs of different transport modes and comparing them with the taxes and charges paid by transport users. This study covers all transport modes in the EU's 28 Member States and other advanced economies, differentiating passenger and freight. The preliminary insights on the study are available here.

Live streaming will be available.

ALICE PLENARY ON HORIZON EUROPE AND ZERO-EMISSIONS GOAL

On 13 December, CLECAT participated at the On 13 December, CLECAT participated at the Plenary meeting of the Alliance for Logistics Innovation through Collaboration in Europe (ALICE) which took place in Brussels. The event



gathered over 120 members of the platform, as well as European policy-makers and researchers.

The European Commission's representatives, Mr Herald Ruijters, Director for Investment, Innovative and Sustainable Transport at DG Transport & Mobility, and Mr Jean Francois Aguinaga, Head of Unit for Surface Transports DG Research & Innovation, recognised the good work and values of ALICE. They shared the evolution of the relevant EU policies and programs, in particular the Horizon Europe programme and the Connecting Europe Facility (CEF) through which the funding for multimodal transport solutions will be more than doubled. In addition, they called on all the stakeholders to utilise better communication with each other in order to find smart and innovative solutions to numerous challenges that the transport and logistics sector is facing, including the ongoing revolution of technology, the need to decarbonise and to fully exploit the opportunities of data analytics.

Furthermore, the ALICE position paper on Horizon Europe – the Framework Programme for Research and Innovation – was presented and discussed. ALICE will start external consultation and support gathering based on this version, which will also be used for the discussion with the European Commission's services and the Member States' representatives.

The status and the next steps of the ALICE Roadmap paving way towards zero-emissions logistics by 2050 were also discussed, followed by the presentation of the ALICE Roadmap entitled "Towards the Physical Internet 2030." A new version of the Roadmap will be made available in March-April 2019 and tabled for discussions with the members. The Roadmap will evolve, and a dedicated workshop will be organised at the 6th International Physical Internet Conference, which will take place on 9-11 July 2019 in London, the UK. More information on the conference can be found here.

EP TRAN VOTE ON FIRST MOBILITY PACKAGE

As the European Parliament's Transport (TRAN) Committee's compromise on the first Mobility Package was rejected during the Plenary vote in July 2018, the Rapporteurs involved (MEP van de Camp, MEP Ertug and MEP Kyllönen) have been exploring how to move forward (both procedurally and content-wise) on the unresolved issues (rules on cabotage, the regime for the posting of drivers in international transport, resting periods taken at dedicated parking areas, and the obligation for drivers to return home).

The TRAN Committee has announced that it will vote on a new compromise on the Mobility Package during its next meeting on 10 January. During the session, the draft position in the form of amendments will be considered for vote and submission to the Plenary.



CLECAT continues to stress that applying posting rules to international transport would be an unenforceable and disproportionate measure that will not solve any of the issues which currently challenge the transport market. On the contrary, the application of such rules will likely cause a growth in self-employed drivers with no social protection.

Therefore, CLECAT urges the Members of the European Parliament's TRAN Committee to strive for a competitive and enforceable



international transport policy by fully excluding international transport from posting rules. Also, with regards to cabotage, CLECAT calls on MEPs not to forget the purpose of the review which has been to simplify the rules and make enforcement better and easier.

GLOBAL MARITIME LOGISTICS FORUM

For the fourth time since its creation in Leipzig in May 2017, members of the Global Maritime Logistics Dialogue met on the 30th November to discuss a number of topics such as harmonization of data standards, block chain, maritime logistics performance indicators as well as information sharing and terminal capacity issues. The event allowed representatives of freight forwarders (CLECAT and FIATA), shippers, terminal operators and carriers to debate with invited speakers issues that are particularly important for all parties involved in the dialogue and relevant for ITF which offers expertise on all modes of transport.

The next meeting will take place in Leipzig in May 2019 in the margin of the ITF Summit.

Rail

EC APPROVES PUBLIC FUNDING TO PROMOTE SHIFT TO RAIL

The European Commission has approved under EU State aid rules a German aid scheme of €350 million/year in public funding to promote the shift of freight transport from road to rail in Germany. Under this scheme, which was notified to the Commission in August 2018 and will run from 2018 to 2023, rail freight operators will be compensated for up to 45% of their track access charges. It is expected that the rail freight operators benefiting from the scheme will pass on the benefits of the aid to their customers, i.e., the freight shippers, through lower prices. Moreover, rail freight operators will be obliged to inform their customers of the fact that their track access charges have been significantly reduced.

The Commission found that the scheme is beneficial for the environment and for mobility as it supports rail transport, which is less polluting than road transport, while also decreasing road congestion. The Commission also found that the measure is proportionate and necessary to achieve the objective pursued, namely to support the modal shift from road to rail. As a result, the Commission concluded that the measure complies with EU State aid rules, in particular the 2008 Commission Guidelines on State aid for railway undertakings.

Source: European Commission



STUDY ON MODAL SHIFT IN EUROPEAN TRANSPORT

The European Parliament has published a research study requested by the EP's Transport Committee on the modal shift in European transport. The study provides a comprehensive analysis of the progress and potential of modal shift from road to more sustainable transport modes, with respect to the policy objectives of the 2011 White Paper on Transport, which set the goal of reducing GHG emissions from transport by 60% until 2050 compared to the 1990 levels. The study, which analyses freight and passenger transport, highlights the main barriers and factors that are hampering a more effective modal shift at EU level, and provides policy recommendations for the way forward.

For freight transport, the study found that the key factors influencing modal shift are related to the shipment's characteristics and may depend on cost, time and quality of different transport services. While the freight volumes have increased, the modal share has remained substantially unchanged between 1996 and 2016, with road transport showing a slight increase.

Moreover, it showed that the density of rail and inland waterway networks differ across the EU, leading to divergences of multimodal connectivity within the Member States. Cross-border interoperability in the rail sector is still far from being fully achieved, as many technical and administrative barriers are still present on the ground, including barriers related to gauges, signalling, electrification and speed control.

The study concluded that a significant shift to less carbon intensive transport modes is still far from being fully achieved and issued nine recommendations, including the establishment of targets differentiated by transport segment, the redefinition of priorities and the support of a consistent development of information sharing in freight transport.

The full study is available here.

RAIL FREIGHT FORWARD COALITION

Today, on 14 December, the official launch of the Rail Freight Forward Coalition took place in Katowice, Poland. The Rail Freight Forward coalition consists of the European rail freight companies and federations. During the launch, the coalition signed the Rail Freight Vision 2030 and its manifesto, which were presented during the 2018 Rail Freight Day, thereby committing to drastically reducing the negative impact of freight transport on the planet and mobility.

Their commitment lies in reducing the negative impact of freight transport on the planet and mobility through innovation and a more intelligent transport mix. The coalition's ambition lies in doubling the modal share of rail freight to 30% by 2030. Therefore, they strive to engage railway undertakings, infrastructure managers and policymakers across Europe to take actions to realise this modal shift. The coalition believes that this can be realised if railway undertakings and infrastructure managers continue their efforts in innovation and service flexibility.

To achieve the goals, the coalition also calls for a more standardised infrastructure, including the introduction of a standard gauge to transport standard containers to reduce the unit cost and enable a more competitive price. Moreover, it calls for the improvement of the framework for delivering competition within rail, as competition serves as the driver for innovation, investment, efficiency and new ideas.



The current members of the coalition include the sector associations CER, UIC, ERFA and VDV, as well as rail freight operators, including BLS Cargo, CD Cargo, CFL Multimodal, DB Cargo, GreenCargo, Lineas, LTE Group, Mercitalia, Ost-West Logistik, PKP Cargo, Rail Cargo Group, SBB Cargo, SNCF Logistics and ZSSK Cargo

More information on the Rail Freight Forward Coalition is available here.

Air

COUNCIL BACKS PROVISIONAL DEAL ON FAIR COMPETITION RULES

On 12 December, the Council approved the provisional agreement reached with the European Parliament on the reform of the Regulation on safeguarding competition in air transport, which aims at ensuring fair competition with non-EU airlines and help maintain the high connectivity throughout the EU at a time where the sector is facing growing global competition.

Under the provisional agreement, a single procedure to launch investigations and decide on any redressive measures will apply for both comprehensive EU agreements and bilateral air transport agreements that EU countries have concluded with non-EU countries. Moreover, it grants the Commission the power to launch an investigation and take a decision on redressive measures if a practice that distorts competition has caused injury to an EU air carrier or poses a clear threat of injury. In the latter case, the measures will not enter into force before the threat has developed into actual injury. Any redressive measures – financial or operational – will be adopted by means of a Commission implementing act, but operational measures will be subject to a more stringent procedure.

Once formally adopted, the proposed Regulation will replace the existing one, which has several shortcomings, and which has never been used in practice. At international level, there is currently no framework under the WTO or the ICAO governing competition amongst air carriers.

For the next step, the agreed text, which will undergo legal and linguistic finalisation, must be formally adopted by the Parliament and the Council. Following its adoption, the Regulation will be published in the EU's Official Journal and enter into force twenty days after its publication. The final compromise is available here.

Source: Council of the European Union

Customs

AUTONOMOUS EU TARIFF QUOTAS FOR FISHERY PRODUCTS

On 11 December, the Council adopted a <u>regulation</u> opening autonomous EU tariff quotas (ATQs) for certain fishery products for which, for a limited volume, the duty will be suspended or reduced. The regulation will apply from 1 January 2019 to 31 December 2020.



The duty rate and volume vary according to each product. Tariff quotas are only granted to those products that are imported for further processing in the EU. The tariff quotas will be managed by the Commission and Member States in accordance with the current system of tariff-quota management, which operates on a first-come-first-served basis.

The objective of ATQs is to provide the EU processing industry with raw and semi-raw materials in order to ensure its competitiveness, without harming EU suppliers. Over the past two decades, the EU has become more dependent on imports from third countries to meet its demand for fishery and aquaculture products. This is because these products are either not produced in the EU, or because they are not produced in sufficient quantities for what is the worlds' biggest market in terms of value.

Source: **EU Council**

MODERNISED VAT RULES FOR E-COMMERCE

On 11 December, the European Commission announced a proposal for new detailed measures that will pave the way for a smooth transition to new VAT rules for e-commerce that come into force in January 2021. The proposed rules lay out the steps needed to ensure that online marketplaces can play their part in the fight against tax fraud and to ease administrative burdens for businesses selling goods online.

The rules introduce new building blocks for the system that will be needed for online companies to take full advantage of the EU's Single Market. The electronic business portal for VAT or 'One-Stop Shop' put in place by these measures will allow companies that sell goods online to their customers to deal with their VAT obligations in the EU through one easy-to-use online portal in their own language.

From 2021, large online marketplaces will become responsible for ensuring that VAT is collected on sales of goods by non-EU companies to EU consumers taking place on their platforms. The new proposals clarify the situations in which online platforms are considered to have facilitated a sale between users and detail the records they must keep on sales made via their interface. In particular, the new rules will ensure that goods sold from storage facilities within the EU will have the correct amount of VAT charged, even when the goods are technically being sold to consumers by non-EU businesses.

The proposed implementing rules will be sent to the Council for agreement and to the European Parliament for consultation.

Source and legal texts: European Commission

Sustainable Logistics

LEARN INDUSTRY SURVEY RESULTS PUBLISHED

Between June and August 2018, a survey was conducted as part of the LEARN project among the members of CLECAT, the European Shippers' Council (ESC) and the International Road Transport Union (IRU) with an aim to understand barriers, needs and priorities on the calculation and reporting of GHG



emissions in the logistics sector. A total of 47 respondents includes shippers, freight forwarders and carriers, as well as corresponding associations.

How businesses can make emissions reporting consistent across green freight programs?

According to the survey respondents, the major barriers to logistics emissions accounting and reporting include uncertainty over which calculation methodology to apply or reporting scheme to use, the fact that there is no mandatory requirement to report GHG

emissions of logistics services and no regular demand from customers for data on GHG emissions.

Furthermore, more than two-thirds of respondents expressed an interest in training on calculation and reporting of carbon emissions, assurance of the reported carbon footprint and strategies to improve efficiency and reduce emissions, showing that a more effective way to promote emissions calculation and reporting is by coupling it with reduction strategies. Regarding research priorities, the major emphasis was put on data specification for all transport modes to calculate emissions, GHG emission calculation methods, the use of calculation results for planning and evaluating transport services, as well as measures to improve efficiency and reduce emissions.

The respondents also said they are affected by and concerned about regulations on GHG emissions calculation and reporting, but this has yet to translate into active involvement in public policy-making or a request to industry associations to give support in this area. At the same time, 70% or more of those who would 'likely' support policy recommendations delivered by the LEARN project have also encouraged initiatives linking emission calculation to reduction efforts, logistics emission reduction targets at the national/EU levels and the ISO standard on GHG emission accounting.

A full results summary can be found <u>here</u>. Results will be used to improve the LEARN project outputs and their use beyond the project.

LEARN INTERNATIONAL WORKSHOP

On 6-7 February 2019, the Logistics Emissions Accounting and Reduction Network project (LEARN) partners are hosting a workshop, where project results and learnings will be presented and discussed.



The workshop will demonstrate practical examples of companies that have tested emissions calculation, assurance and reporting in practice, and recognise their achievements. It will also be explored how to move forward and work with businesses beyond the LEARN project through policy, research, training and a growing network of programs and initiatives.

The Logistics Emissions Accounting and Reduction Network project (LEARN) mobilizes business to reduce their carbon footprint across their global logistics supply chains through improved emissions calculation, assurance and reporting. Over the past 2 years, LEARN partners – including CLECAT – have been working closely with related organizations, initiatives and already existing networks. This includes the Global Logistics Emissions Council (GLEC), a voluntary partnership of companies, industry



associations and programs, led by Smart Freight Centre. The LEARN project has built on and sought to improve the 'GLEC Framework for Logistics Emissions Methodologies' that combines existing methods and fills gaps, making carbon accounting work for industry.

The full two-day agenda and the registration form can be found <u>here</u>.

General

EU-JAPAN TRADE AGREEMENT SET TO ENTER INTO FORCE IN FEBRUARY 2019

On 12 December, the European Parliament endorsed the EU's trade agreement with Japan. The Council is set to give its final approval on 21 December which will allow the agreement to enter into force on 1 February 2019.

The Economic Partnership Agreement was approved with 474 votes to 152 with 40 abstentions. The EU-Japan trade 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, for example on car exports. It will also open the Japanese market to key EU agricultural products and increase EU export opportunities in many other sectors. In addition, the agreement will strengthen cooperation between Europe and Japan in a range of areas, reaffirm their shared commitment to sustainable development, and include for the first time a specific commitment to the Paris climate agreement.

The European Parliament also approved the Strategic Partnership Agreement, which extends cooperation to areas such as energy, education, research and development, development, and the fight against climate change and terrorism. For the strategic partnership agreement to enter into force, all Member States have to ratify it.

Source: European Parliament & European Commission

Forthcoming events

CLECAT MEETINGS

CITI Customs Indirect Taxation Institute meeting

31 January - 1 February, Brussels, Belgium

Sustainable Logistics Institute

6 February, Brussels, Belgium

AIR/SECURITY Institute meeting

17 April, Schiphol Airport, The Netherlands



OTHER EVENTS WITH CLECAT PARTICIPATION

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 TRAN Committee

10 January, Brussels

European Parliament Plenary

14-17 January, Strasbourg

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