

# NEWSLETTER

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# Brussels news

#### **CLECAT WISHES YOU A HAPPY**



#### **EU TRANSPORT COMMITTEE REJECTS MOBILITY PACKAGE 1**

Proposals for transport legislation with regards to the social market pillar of the first Mobility Package were voted yesterday in the Transport and Tourism Committee of the European Parliament after being referred back by the Plenary in July 2018 for further consideration. With most of the political groups divided on the files, the Transport Committee failed to adopt a position on 2 of the 3 files put to vote. The TRAN Committee rejected all compromises on enforcement requirements and specific rules for posting drivers in the road transport sector (MEP Kyllönen), as well as for minimum requirements on maximum daily and weekly driving times, minimum breaks and daily and weekly rest periods (MEP van de Camp).



Prior to the vote, representatives of the transport industry organised several campaigns, including the issuance joint declarations, as well as protests in front of the European Parliament, urging the Committee to agree on a sensible, balanced legislation for road transport. CLECAT and EEA called on MEPs to agree on a posting regime for international road transport that is more flexible than the Council's General Approach of December 3, 2018, so that the EU's objectives for better enforcement, a new boost for growth and CO2 efficiency in transport do not remain hollow words.



Following the rejection of the file on posting of drivers and the file on driving and rest times, the TRAN Committee adopted the Rapporteur's compromise on the cabotage file (MEP Ertug). According to the adopted report, vehicles must return to their Member State of establishment at least once every four weeks. Cabotage operations are limited to a maximum of 3 days, with an unlimited amount of operations permitted during that time. Furthermore, a cooling-off period has been adopted which prevents hauliers from undertaking cabotage operations in the same Member State within 60 hours after the return to the haulier's Member State of establishment, and until a new international transport operation has been performed originating from the Member State of establishment.

In reaction to the vote in TRAN, Frank Huster, Managing Director of the German Freight Forwarders' Association (DLSV), <u>expressed his concerns</u> about the possible failure of the first Mobility Package, stating that: "if even the transport experts in the TRAN Committee are not able to find a compromise, the hopes for a vote in plenary and trilogue negotiations with the Council and the Commission are very low."

CLECAT's Director General Nicolette van der Jagt said: "We regret the outcome of the vote and hope that the coordinators find a way forward to bring the files to the Plenary and enable the initiation of trilogue negotiations. Most importantly, a lack of progress will mean further unilateral measures from the Member States and the end of the internal market. Reaching an acceptable compromise is crucial to prevent the continued imposition of national posting regimes and putting an end to the uncertainty and disproportionate administrative burden which has adverse effects on the entire transport industry."

#### **ROMANIA COUNCIL PRESIDENCY PRIORITIES**

From 1 January to 30 June 2019, Romania will for the first time hold the rotating six-month presidency of the Council of the European Union (EU). This is going to be an intense period marked by Brexit, European parliamentary elections, finalisation of the Multiannual Financial Framework for 2021–2027 and the first post-Brexit European Summit, which will be key to determining the incoming European Commission's working programme, as well as EU leaders' strategic agenda for the next five years.

Romania sees sustainable mobility as an enabler for economic growth and competitiveness. It is therefore going to base its transport policy priorities on connectivity, safety, competitiveness, digitalisation, decarbonisation and multimodality. As a country still developing its transport infrastructure, Romania will work on ensuring sufficient funding for this purpose under the next long-term budget of the EU. This includes advancing negotiations on the new Connecting Europe Facility, as well as establishing funding for alternative fuels infrastructure, e.g. electric vehicle charging points.



With regards to the road transport, Bucharest will aim to make progress on the files dealing with access to the occupation of road transport operators, access to the road haulage market, posting of workers and social legislation. However, in view of the upcoming elections in the European Parliament, it is unlikely that triologue meetings will start under the Romanian Presidency, leaving it up to the next Presidency (Finland). The Romanian Presidency will also try to give a new impetus to the debate on the Eurovignette Directive, which the previous incumbent, Austria, had not considered as a priority fearing that it would effectively phase out the vignette-based system operating in Austria.

On maritime transport, Romania will focus on the inland waterways, following up on the Council Conclusions prepared by its predecessor and implementing the Commission's NAIADES II action plan. From 1 November 2018 to 30 October 2019, Romania also holds the presidency of the EU Strategy for the Danube Region – a region it plans to revitalise as a key inland transport corridor. In addition, Bucharest will seek to advance legislation on the European Maritime Single Window Environment, achieving better IMO coordination and facilitating the Brexit-related maritime transport issues. Aiming to encourage a shift to the multimodality, the incoming Presidency will also seek to proceed with the Combined Transport Directive and the Electronic Freight Transport Information Regulation.

Regarding the climate policy priorities, Romania will need to wrap up various EU legislative files on the decarbonisation of transport, such as the Regulation on CO2 emission reduction targets for new heavy-duty vehicles, while also defining the EU long-term climate policy. To that end, the Presidency will need to facilitate Council discussions on the new draft strategy for 2050 EU greenhouse gas emissions reductions, presented by the Commission at the end of last year.

More information on the Romanian Presidency's agenda priorities is available here. The detailed programme of the Presidency will become available on 15 January 2019 and can be accessed here.

#### **EU TRANSPORT COMMITTEE ADOPTS REPORT ON EMSWE**

On 10 January, the Transport and Tourism Committee of the European Parliament (TRAN) adopted its report on the draft Regulation on the European Maritime Single Window environment (EMSWe). The draft Regulation that has been proposed by the European Commission replaces the previous <u>Directive</u> (2010/65) on reporting formalities for ships (RFD), on which an urgent need for revision was expressed by stakeholders in various reports and consultations. With this the initial Commission's objectives, namely EU harmonised reporting, the establishment of a maximum dataset and the efficient re-use of data should be achieved.

In a joint press release CLECAT, together with six other maritime transport related organisations (ECASBA, ESC, EMPA, ESPO, FEPORT & IPCSA) welcomed the adoption of the TRAN report and its focus on data harmonisation and existing reporting channels, but cautioned against the creation of an EU Level Access Point Interface.

The press release noted: 'We believe that the focus of the report on data harmonization is the right approach and will lead to simplified reporting formalities for ships. However, it is important to ensure that the harmonised interfaces remain technologically neutral. This will ensure that potential new systems are not rapidly outdated by new developments, while at the same time ensuring industry does not need to needlessly re-invest in regulatory compliance and can instead focus on innovation and improved services.

Furthermore, clarification on the connection between Maritime Single Windows and Custom Single Windows is very much appreciated. Both ship reporting and customs reporting will be undergoing



significant changes over the coming years, especially in light of the Union Customs Code work programme, and it is therefore crucial that work on both reporting environments is aligned. This will ensure operators and service providers can plan their investments accordingly.

We also welcome that existing reporting channels, such as Port Community Systems, should be maintained as reporting channels. These channels, generally created collaboratively by the private sector, ensure that reporting formalities can be done in the most efficient manner and enable exchange of relevant information within the private sector. It is therefore important that these channels can be maintained and are not needlessly replaced by other interfaces that would limit innovation and cooperation for the private sector. We therefore also oppose the creation of an EU Common Access Point Interface. The above mentioned organisations believe that such a system would be against the Commission approach of creating an interoperable environment or "systems of systems" and would require significant investments from Member States and the private sector with limited, if any, added value for the entire logistics chain.'

The priority for trilogue now needs to be on creating a truly interoperable environment for ship reporting which can only be achieved through data harmonisation.

You can download the press release <u>here</u>. The adopted report is available <u>here</u>.

#### TRAN VOTE ON STREAMLINING TEN-T PROCEDURES

Besides yesterday's (10 January) TRAN Committee vote on the Mobility Package 1, a vote also took place on the proposal on streamlining measures to advance the realisation of the TEN-T network. Through this proposal the European Commission seeks to streamline administrative measures by grouping together procedures under a single comprehensive decision, under the coordinated management of a single competent authority, set out tight procedural deadlines to this end, and improve cooperation on cross-border projects.

In the European Parliament, the draft report, led by MEP Dominique Riquet's (ALDE, France), was passed by the TRAN Committee, with all compromise amendments adopted during the vote. The main elements adopted during the vote as follows:

- Compromise amendment 1: Member States have the option to extend the scope to also cover projects on the TEN-T's comprehensive network (thus going beyond the TEN-T's core
- Compromise amendment 4: expressly notes environmental assessments among the procedures to be covered under the single comprehensive decision and calls on the need for simplified and centralised procedures for environmental assessments arising from EU law.
- Compromise amendment 5: Allows the establishment of a "joint competent authority" between different Member States for cross-border projects of common interest.
- Compromise amendment 6: Further tightens the deadlines set out in the permit granting procedure; it also inserts a new provision linking delays to national procedures to a potential revision (and even withdrawal) of financial assistance received under the Connecting Europe Facility (CEF).

In **Council** a <u>Progress Report</u> was presented on 3 December. The Romanian Presidency aims to have an agreed position by the end of its term.



### **Brexit**

#### **ELP DINNER DEBATE: BREXIT - HOW BUSINESS GETS READY**



On 29 January, the European Logistics Platform is organising a dinner debate on Brexit hosted by MEP Caroline Nagtegaal (ALDE, Netherlands) during which business will present how they prepare themselves for a (no-deal) Brexit and what MEPs could do to supports logistics' efforts to address the challenges of a hard Brexit.

While the draft withdrawal agreement provides the basis for a 21-month transition period, during which the current trading and transport rules would essentially remain the same, such a transition will not happen if the withdrawal agreement is not ratified. Considering the ongoing political uncertainty in the UK, companies have to be prepared for all outcomes, including a no-deal or 'cliff-edge scenario' in March 2019.

A 'no deal' Brexit would have important consequences in terms of market access conditions for transport operators, but also on the fluidity of traffic and robustness of supply chains. The contingency measures proposed by the European Commission to alleviate some of the negative consequences of a 'no deal' Brexit would help when adopted, but industry will still face significant challenges. All players in the supply chain, from importers and exporters, to forwarders, customs agents and transport operators, will need to collaborate and put in place robust plans to mitigate the impact of a 'no deal' Brexit on the transit of goods. The event will allow industry representatives to present what they are doing to rise to the challenge and what MEPs could do to support their efforts.

Members from across the European Parliament's committees and political groups, the European Commission and stakeholders are invited to join the debate on the 29th of January at 18.00h at the Renaissance Hotel in Brussels. Registration is possible <a href="here">here</a>.

#### JOINT CAMPAIGN TO FACILITATE BREXIT THROUGH DUTCH PORTS

Since autumn 2018, the Portbase Port Community System, together with the Dutch Association for Forwarding and Logistics (FENEX), evofenedex, Transport and Logistics Netherlands (TLN)/AFTO and a port business association Deltalings, have been collaborating with Dutch Customs, the Port of Rotterdam, the Port of Amsterdam, ferry operators and shortsea terminals to create a single chain solution for Brexit in the Netherlands-based ports, which complies with EU legislation.

One component of this collaboration is a joint information campaign entitled 'Get Ready for Brexit,' which is aimed primarily at informing exporters, importers, freight forwarders, Customs agents and hauliers on the steps they need to undertake in order to ensure that, post-Brexit, they will be able to import and export goods to and from the UK through the Dutch ports in a timely manner.

A recently launched website, marks the kick-off of the international campaign, which is intended to guide the entire logistics chain throughout the preparations for Brexit and ensure smooth and rapid handling of the Customs formalities that may arise post-Brexit.

For comprehensive information on the joint Dutch approach, please visit the dedicated website.



#### REALIGNMENT OF TEN-T CORRIDORS FOR BREXIT

On 10 January, the Transport Committee of the European Parliament (TRAN) voted on MEP Karima Delli's draft report and the proposed amendments to the draft Regulation for the realignment of the TEN-T corridors in view of Brexit.

The UK is part of the North Sea – Mediterranean corridors and, as of the date of its withdrawal from the EU, the UK will no longer be part of the corridor. Thereby, the need to revise the alignment of the corridor arose to ensure a continuous connection between the section located in Ireland and the section in the Continental EU. In its proposal, the European Commission proposed the deletion of the UK ports from the corridor and to insert Zeebrugge, Antwerp and Rotterdam.

As a result of the TRAN Committee's vote on the report to the draft Regulation, the ports of Calais, Le Havre and Dunkerque were added to the North Sea – Mediterranean corridor, and the ports of Brest, Roscoff, Saint Naizaire, Saint Malo, Cherbourg, Caen Le Havre, Rouen, Paris and Boulogne were added to the Atlantic corridor.

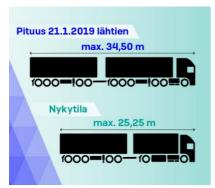
The report was adopted with 45 votes in favour and 2 abstentions. Following that, the mandate to open interinstitutional negotiations was granted.

## Road

#### VEHICLE COMBINATION LENGTH LIMITS INCREASED IN FINLAND

The Finnish Ministry of Transport and Communications has <u>announced</u> that, according to a new governmental decree, the maximum length of a vehicle combination used for road transport will increase from 25.25 to 34.5 metres as of 21 January 2019, while the maximum permissible mass remains at 76 tonnes. A new type of vehicle combinations that differ from the current standards may also be used on the road. To note, the use of longer vehicles is only permitted within Finland, as Sweden has not changed its rules.

Furthermore, the maximum length of other vehicles than buses and coaches will increase from 12 to 13 metres, whereas the new drawing length of a semi-trailer will be 18 metres and the length of the actual semi-trailer 16 metres. In addition, the maximum permissible length of a combined truck and a semi-trailer will go up from 16.5 to 23 metres, while the maximum length of a combination of a car and a centre-axle trailer on the road will be 20.75 metres instead of the current 18.75 metres.



The high capacity trucks, whose length and mass differ from the current standards, have been tested since 2013. Regarding the maximum permissible mass, no changes have been introduced in the new regulation.

The new regulation has also introduced more stringent requirements concerning turnability and stability of long combinations. The requirements for combinations also include camera systems for side visibility, an advanced emergency braking and lane detector system, electronic driving stability

system and electronically controlled brakes.



According to the Ministry, changes in the lengths of vehicle combinations are estimated to bring significant benefits, especially in transport of sea containers, general cargo and foodstuff – these categories represent nearly a half of the cargo transport on roads.

### Maritime

#### OCEAN SHIPPING SET TO BE 'VERY DIFFERENT' IN 2019, **FORWARDER WARNS**

Lloyd's Loading List reported in an article that ocean shipping in 2019 is set to be "very different" compared to the current year, according to one major forwarder. Anticipating the major trends in the segment over the next 12 months, Sri Laxmana, vice-president, Global Ocean Product, at US-based C.H Robinson, said ocean carriers are likely to put profitability above volumes next year which could result in more pricing stability and lower decreases in rates for shippers than in years past.

Smaller carriers could find it a struggle to compete which could result in continued consolidation or the need to join an alliance. Front loading and cost of carrying inventories will also be something most importers will be thinking about as the 'tariff war' (between the US and China) escalates while in the US 'choke points' and truck driver shortages wll continue to challenge the movement of containers beyond the port of arrival, he noted.

Focusing on market dynamics, Laxmana commented: "In years past, you could predict that if demand increased, so would rates; if the demand dropped, you could predict that if demand increased, so would rates; if the demand dropped, so would rates, regardless of whether or not it was profitable for the carriers. Today, we have fewer carriers, and they are very quick to withdraw capacity in a more uniform manner to ensure demand remains tight against available capacity.

"This results in rates that continue to remain high, on average. In 2019, overall capacity is projected to increase by less than 3%, but global trade is predicted to grow around 6%. So, this tells us with some certainty that carriers intend to keep supply tight against demand. The carriers would much rather deploy extra loaders as needed rather than introducing additional service strings. As we get into the contracting period, expect to see higher rates than we saw in 2018. One thing is for sure: having an attractive rate on paper will never guarantee capacity moving forward."

Commenting on ocean carrier consolidation, Laxmana questioned the view that a peak had been reached in 2017 and projected it could continue. "A few carriers are rumoured to be heavy targets of consolidation. When analyzing their capacity and order books, it's no secret that we will likely see some activity on this by the latter part of 2020. There are also several carriers that are still not within the broader alliance. They will need to evaluate their service strings and loading factors, since functioning as an independent carrier in today's environment is almost impossible."

As for their investment in third party logistics players, 3PLs, he said: "A few ocean carriers have revisited their strategies on how they intend to approach the markets; it is likely they will widen their offerings by more directly and deliberately investing in internal 3PLs or acquiring 3PLs. I suppose it's become hard for carriers to ignore the growth 3PLs have had in the last few years. Instead of aligning with 3PLs more effectively and viewing them as an extension of the carrier's network [most 3PLs are also non-vessel operating common carriers (NVOCC)], their acquisitions and investments in 3PLs could



potentially create some friction. Most importers know all too well that 3PL neutrality will serve them better than having an in-house 3PL/"

### Customs

#### **NEW UCC GUIDANCE DOCUMENTS**

In late December 2018, the European Commission's DG TAXUD published new versions of the guidance documents on Customs Formalities on Entry and Import into the European Union and Customs Simplifications. The documents are not legally binding but of an explanatory and illustrative nature, aiming to facilitate the correct and uniform application of customs legislation by the Member States and to improve customs compliance by economic operators. Therefore, the optimal use of the possibilities provided in the documents depends on national interpretation and implementation.

The new version of the Guidance Document on Customs Formalities on Entry and Import into the European Union highlights and explains the changes in respect of formalities at entry and import into the EU applicable for customs administrations and economic operators since 1 May 2016. It also indicates other new elements of the UCC that will apply once the deployment of the required IT systems enables full UCC implementation, no later than 31 December 2020. The document is the result of the project group on import and export formalities, of which CLECAT is a member. CLECAT is generally pleased with the result, especially concerning the possibilities for the presentation of goods to customs and (movement between) temporary storage.

CLECAT also took part in the preparation of the Revised Guidance on Customs Simplifications which concerns simplified declaration (SD), centralised clearance (CC), entry into the declarant's records (EIDR) and self-assessment (SA). The document gives technical explanations and aims at developing best practice. It also aims at ensuring a smooth change during the transitional period, explaining which provisions should apply and when. Nonetheless, economic operators should consult the competent customs authorities for further information on how to implement the simplifications because the guidance does not cover all possible business cases and the national planning related to the UCC Work Programme.

#### **DEFINITIVE SAFEGUARD MEASURES ON STEEL PRODUCTS AS OF FEBRUARY**

On 4 January, the European Commission notified the World Trade Organisation (WTO) of its findings in the safeguard investigation on certain steel products that was launched in March 2018 as part of the EU's response to the decision by the United States to impose tariffs on steel products. The notification is a necessary step under the WTO Safeguards Agreement and allows time for affected WTO members to hold consultations with the EU. EU Member States will vote in mid-January on the Commission's intended course of action. Following their adoption by the Commission, the definitive measures could enter into force in the beginning of February.

The proposed measures will be imposed erga omnes (against imports from all origins), concern 26 steel product categories and will ensure that trade diversion is avoided whilst maintaining traditional levels of trade in steel on the EU market. They consist of tariff-rate quota by which a duty of 25% will apply when the level of the traditional trade flows is reached. This system is similar to the provisional



measures currently in place since July 2018, with some variances in order to preserve traditional trade flows. For example, the main supplying countries will benefit from individual quotas based on their own historical imports.

Once adopted, these measures should remain in place for a period of three years, including the period of imposition of the provisional measures, expiring on 16 July 2021. The measures can be reviewed in case of changed circumstances.

Source: European Commission

#### **NEW VAT GUIDELINES**

The latest list of guidelines agreed by the European Commission VAT Committee was published on 8 January.

The new guidelines include the text of all the guidelines issued since the VAT Committee was set up. An index of guidelines is also made available. It links the guidelines agreed with the relevant provisions of the VAT Directive and comments upon them.

Source: **European Commission** 

#### **EU-JAPAN TRADE AGREEMENT ENTER INTO FORCE ON 1 FEB**

On 21 December 2018, the EU and Japan notified each other of the completion of their respective ratification procedures of the Economic Partnership Agreement (EPA), following a decision adopted by the EU Council on the conclusion of the Agreement. That final step on the EU side allows the EU-Japan trade agreement to become effective as of 1 February.

Japan also notified the EU of the completion of its ratification process for the Strategic Partnership Agreement (SPA). On the basis of this notification, a large part of the SPA will be applied on a provisional basis, also as of 1 February. The agreement will formally enter into force once it has been ratified by all EU Member States.

Source: **EU Council** 

# Sustainable Logistics

#### 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.



# INTERNATIONAL WORKSHOP **Emissions Accounting & Reduction** 06.02.2019 - 07.02.2019

The Logistics Emissions Accounting and Reduction Network project (LEARN) mobilizes business to reduce their carbon footprint across their global chains logistics supply 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

#### EC CONFERENCE ON THE FUTURE OF MULTIMODAL TRANSPORT

On 26 February, the European Commission is organising the high-level conference "Multimodal Transport – towards the future". This officially marks the closing of the 2018 Year of Multimodality, which was called 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 conference will summarise the achievements of the Year of Multimodality, offer the opportunity to discuss with stakeholders the possible gaps towards the transport system of the future, and address with them opportunities and new openings for a seamless multimodal transport system stemming from technological developments.

Registration will open soon here.

# Forthcoming events

#### **CLECAT MEETINGS**

#### Customs and Indirect Taxation Institute meeting

31 January - 1 February, Brussels, Belgium

#### Sustainable Logistics Institute meeting

6 February, Brussels, Belgium

#### Air/Security Institute meeting

17 April, Schiphol Airport, The Netherlands



#### OTHER EVENTS WITH CLECAT PARTICIPATION

ELP Dinner Debate: Brexit – How Business Gets Ready

29 January, Brussels

**LEARN International Workshop** 

6-7 February, Brussels

EC Conference on the Future of Multimodal Transport

26 February, Brussels

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

#### **European Parliament TRAN Committee**

21-22 January, Brussels 29 January, Brussels

#### **European Parliament Plenary**

14-17 January, Strasbourg

#### **European Transport Council**

7 March, Brussels 26-27 March, Informal Transport Council, Bucharest

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