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Brussels News

PRIORITY LANES FOR EU POLICY






FOSTER A SINGLE EUROPEAN MARKET FOR TRANSPORT

Shaping a Single European Market for transport that cuts across disparate national rules and allows for efficient and sustainable logistics operations should remain the key objective of Europe's policy-makers. Limiting the free movement of goods and services in the road transport sector in the EU will lead to inefficiencies, more emissions and problems to the EU economy at large. Europe needs a competitive and liberalised land transport market and a Single European Sky.

[#prioritylanes4logistics](#)

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Did you already review CLECAT's priority lanes for EU Policy? You can download the brochure Priority Lanes for Logistics [here](#).

CLECAT encourages policy makers to have a close look at the priority lanes in support of a call for

a stronger Europe through further opening of markets and harmonisation, as well as removing barriers instead of creating new ones. CLECAT is of the view that creating a fully integrated transport sector will translate into improved logistics chains, greater environmental sustainability, enhanced internal cohesion and increased competitiveness of the EU on the global stage.

ELP EVENT 'LOGISTICS IN TRANSITION'

The European Logistics Platform (ELP) organises its first large event for the new European Parliament on the 25th September. The event entitled '**Logistics in Transition: how to handle growing freight transport and the challenges ahead**' will take place at the Residence Palace in Brussels.



**European
Logistics
Platform**

We have a great line up of speakers including amongst others Alan McKinnon, Professor of Logistics, Kuehne Logistics University, Helder Velho, Director EU Transportation Services with Amazon, Leigh Pomlett, CEO of CEVA Logistics and Bart Vandewaetere from Nestlé.

The panel will address the key challenges facing the logistics sector, from digital transformation to sustainability, infrastructure and access to skills. The event is designed to create an open debate between industry and policy makers to find solutions to common problems and challenges.

You can still register for the event [here](#).

COUNCIL POLICY DEBATE ON TRANSPORT DECARBONISATION

On 20 September, the Council held an extensive policy debate on how to decarbonise transport in order to combat climate change and meet the Paris Agreement objectives. The debate built on the Commission communication '[A Clean Planet for All](#)', published in November 2018.

To reflect the importance of the subject, separate sessions were dedicated to land transport (road, rail and inland navigation), aviation and shipping. "It is clear that we need to do more to cut greenhouse gas emissions in order to stop global warming. And the transport sector must, and will, play a crucial role in this. There is a willingness across Member States to make the most of a wide range of options: technological options, political options, changing our behaviour," said Ms Sanna Marin, Finland's Minister for Transport and Communications, who chaired the meeting. "No single solution is enough, but with the right policy mix and by embracing the opportunities provided by innovation and digitalisation, we will get there. Our discussion today provides a good basis for further work towards carbon-free mobility and a carbon-neutral society," she added.



The Finnish Presidency will sum up the Ministers' debate as input for the European Council, which is expected to finalise its guidance by the end of the year. The EU can then adopt its long-term climate strategy and present it to the United Nations Framework Convention on Climate Change (UNFCCC) by 2020, as required by the Paris Agreement. Today's Council discussion – as well as the instruction from the European Council – will also guide the Commission in the preparation of new legislative proposals and other initiatives in this area.

Source: [Council of the EU](#)



Road

EP TRAN CONFIRMS RESUMPTION OF WORK ON MP1

On 19 September, the Members of the EP's Transport Committee voted on the resumption of business ([Rule 61](#) of EP's Rules of Procedure) in relation to the three 1st Mobility Package files.

Under the Rule 61, the President of EP can request the European Commission to refer its proposals again to the EP. Following such a request, the Commission would be able to reject the request, refer the same text to the EP or refer an amended text to the EP.

The transport coordinators of political groups earlier this month decided, although by a very narrow majority, not to request the Commission to refer the files back to the EP. Since the ECR Group contested the coordinators' decision, the Members of TRAN were called for an official vote to either start from scratch or resume work on the basis of the EP reports adopted in April.

Following the vote, the Members of TRAN supported the coordinators' decision to resume work. As such, there will not be a request to the Commission to refer the 1st Mobility Package proposals to the EP again and business will continue as usual.

This leads to an official vote on entering into trilogues with the Council and the Commission, which will proceed as planned and take place during the next TRAN Committee on 24 September at 10:00-12:30. It will be possible to follow the vote [online](#).

Maritime

ITF REPORT ON MARITIME SUBSIDIES

On 17 September, the International Transport Forum (ITF) published the report '[Maritime Subsidies: Do They Provide Value for Money?](#)' This report addresses CLECAT's concerns with the favourable fiscal treatment of the shipping lines offering carrier haulage.



Among the major findings, the report has confirmed that some subsidy schemes have evolved in ways that distort markets. In particular, many tonnage tax schemes (which in essence imply the corporate tax exemption) now also encompass profits from terminal operations. This benefits vertically integrated shipping companies that compete with independent terminal operators, ship operators and freight forwarders that do not have similar tax benefits.

According to the ITF, various container carriers have the ambition to provide similar services as freight forwarders. There are possible market distortions of competition between carriers that are subsidised and freight forwarders that are not subsidised; these distortions are more significant if carriers are



more vertically integrated and if services like cargo handling, storage and demurrage (as ancillary service) can be covered by the tonnage tax. In those cases, tonnage tax schemes provide incentives for carrier haulage rather than merchant haulage.

Another interesting finding is that this distortion is said to be likely facilitated by alliances, consortia and vessel sharing arrangements (VSAs). This can be deducted from possible application of the tonnage tax to profits from the terminal that is in the same tax group as the shipping company that applies the tonnage tax. If this terminal would handle containers from third parties but on ships over which the company pays tonnage tax (for example in case of alliances, consortia or VSAs), it is likely that the profit realised with these terminal activities would be taxed under the tonnage tax regime. In other words, the vertically integrated liner company has an incentive to attract containers from other liner companies via VSAs, rather than attracting ships from third parties outside VSAs.

The report therefore recommends amending certain relevant regulations, such as the EU Maritime State Aid Guidelines (last amended in 2004), to avoid such market distortions and unbundle the activities eligible for favourable tax treatment under tonnage tax schemes.

Air

EU POSITION ON CORSIA SUSTAINABLE AVIATION FUELS

The Council approved an [information note](#) containing the recommended EU position related to eligible fuels for the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). This allows for the information note to be used as the basis for EU Member States' replies to the ICAO state letter on this matter, ahead of the 218th session of the ICAO Council, which will be held from 18 to 29 November 2019.

The overarching approach aims to support the approval by the ICAO Council of the three ICAO documents related to CORSIA eligible fuels whilst insisting that the Committee on Aviation Environmental Protection (CAEP) must pursue its work towards the inclusion of additional sustainability criteria before the end of the pilot phase, and also insisting that Lower Carbon Aviation Fuels should not become eligible under CORSIA before CAEP has carried out its task to develop a specific robust framework for such fuels.

According to the common position, Member States strongly hold the view that the sustainability of fuels certified as Sustainable Aviation Fuels (SAF) under CORSIA can only be ensured if they are certified against a full set of sustainability criteria. These criteria must address environmental, social and economic sustainability themes.

Source: [Council of the EU](#)

IMPROVING AVIATION COMPETITIVENESS IN POLAND

In a recently released [study](#) by the International Air Transport Association (IATA), it was indicated that a more competitive air transport sector in Poland could generate an additional €3 billion in extra GDP to the nation's economy, as well as more than 8.000 jobs by 2037.



To maximise the economic and social benefits created by a successful air transport industry, the study recommends Poland to:

- Implement the National Airspace Strategy in consultation with users to improve airspace capacity and efficiency;
- Modernize Polish aviation policy by embracing Smarter Regulations that foster a more efficient consultation process with industry stakeholders.
- Develop a national plan for air transport to prioritize sustainable development of air connectivity and expand intramodality.

The contribution of air transport to the Polish economy has been identified as significant by the report, noting that the industry supports 137.000 jobs and contributes €4 billion to the economy, accounting for roughly 1% of Poland's GDP.

Customs & Trade

NEW VERSION OF THE UCC IMPLEMENTING ACT

Recently, the new version of the Union Customs Code Implementing Act (UCC IA) was published. The new version contains various major and minor amendments. The [Implementing Regulation 2019/1394](#) amends and corrects the UCC IA as regards Import (release for free circulation), Exit of excise and non-Union goods, data exchange between Member States and data requirements in declarations. It will enter into force as of 1 October 2019.

The main change relates to the Exit of excise. Currently, if excise goods leave the EU after having been released for export, and the goods are placed under a Single Transport Contract (STC) or a transit procedure other than the external transit procedure (e.g. T2), the customs office of exit shall be the customs office of departure of the transit operation (fictional Exit). This means, for example, that the confirmation of exit is provided at the airport at which the excise goods are loaded onto an aircraft. This airport does not necessarily have to be the physical office of exit.

As of the entry into force of the amended UCC IA, this is not possible anymore. Unless the export declaration is followed by a T1 Transit declaration, goods have to be presented at the external office of exit in order to receive a confirmation of exit and have to be covered by an excise (movement) guarantee. Additionally, for all non-Union goods that are being re-exported, for example goods which were stored in a customs warehouse or under a temporary import procedure, placing them under an STC will also no longer provide a confirmation of exit. The change is made to ensure that less fraud can occur with the export of excise and non-Union goods and that the movement of the goods is covered by a guarantee until they have physically left the EU.

Even though the change enters into force on 1 October, a transitional period is foreseen until the implementation of the new EU export system (AES, Automated Export System). Among others, CLECAT requested this transitional period. The final implementation of AES is foreseen in 2023. However, Member States will start the implementation before that date. When Member States start the implementation can differ. Because of the large impact the change can have, it is important that the transitional time is used to prepare processes and IT systems across the relevant logistics chains together with the national customs administrations.

A fully updated (consolidated) version of the UCC IA can be found on the [DG TAXUD UCC webpage](#).



INCREASE IN FAKE GOODS STOPPED AT EU CUSTOMS

On 19 September, the European Commission reported that the number of interceptions of fake goods being imported into the EU increased in 2018 due to a large amount of small parcels in express and postal traffic. Detention figures for seized consignments jumped from 57,433 in 2017 to 69,354 in 2018, though the total amount of articles detained decreased compared to previous years.

The top categories of detained articles were cigarettes, which accounted for 15% of the overall amount of detained articles. This was followed by toys (14%), packaging material (9%), labels, tags and stickers (9%) and clothing (8%). Products for daily personal use in the home such as body care articles, medicines, toys and electrical household goods accounted for nearly 37% of the total number of detained articles.

China continued to be the main source country for goods infringing intellectual property rights. North Macedonia was the main provenance for counterfeit alcoholic beverages. Turkey was the top source for other beverages, perfumes and cosmetics.

Source and full report: [European Commission](#)

Brexit

IRISH BREXIT SEMINAR

On 18 September, CLECAT attended a Brexit Seminar, organised by CLECAT's Irish member, [the Irish International Freight Association \(IIFA\)](#), in Dublin. The seminar was organised to inform the Irish freight industry on the no-deal Brexit preparations and related border procedures in Ireland, the UK, France and Belgium. The seminar gathered almost 200 participants, including IIFA members, Irish Road Haulage Association (IRHA) members, members of industry representative bodies and related Government departments.

Participants had the chance to learn more about customs training and funding possibilities for businesses towards preparations for Brexit. A representative of UK Government informed the industry of the ongoing UK Brexit Preparedness campaign, customs requirements and related border procedures at the UK border. In addition, a representative from the UK Department for Environment, Food and Rural Affairs (DEFRA) presented the UK requirements for trade in agri-food products with EU27, labelling, and status of Geographical Indications (GIs).



**Irish International
Freight Association**

CLECAT's French member, [TLF](#), gave a presentation on the preparations at the French 'Smart Border' including infrastructure, IT systems and border-crossing processes. Future formalities and procedures regarding imports of animals and agri-food products were also presented. CLECAT's Belgian member, [Forward Belgium](#), presented the preparation efforts in Belgium, including communication initiatives and port procedures.

The presentation slides from the seminar are now available on the [Brexit Centre on the IIFA website](#).



UK NO-DEAL BREXIT PREPAREDNESS

As the UK continues its no-deal Brexit preparedness, this week, the UK Government published various no-deal Brexit preparedness guidance notices including:

- [Moving goods through the Port of Dover and Eurotunnel using common transit;](#)
- [Moving goods through the Port of Dover and Eurotunnel with an ATA Carnet;](#)
- [Moving goods through the Port of Holyhead with an ATA Carnet;](#)
- [Claim VAT refunds from EU countries after Brexit;](#)
- [Complete your VAT Return to account for import VAT in a no-deal Brexit.](#)

In addition, the UK Government issued letters to [EU-only traders in the UK](#) and to [rest of world and EU traders in the UK](#) about next steps to get ready for Brexit. The UK Government also published several flowcharts outlining the step-by-step processes for:

- [Exports of meat and dairy products to the EU after Brexit;](#)
- [Exports of chemicals to the EU after Brexit;](#)
- [Exports of live animals to the EU after Brexit;](#)
- [Exports of seafood to the EU after Brexit.](#)

In light of the large number of notices published by the UK Government, CLECAT advises its Members to subscribe to the [UK Government's website](#) to receive updates by email and remain informed.

Rail

EU INVESTMENTS INTO POLISH RAIL AND ROAD

On 13 September, the Commission [announced](#) the adoption of three major Cohesion Policy projects, aimed at modernising the Polish rail and road network.

Regarding the railway communication system, over €487 million are being invested to replace outdated technology and set up a modern communication system along almost 14.000 km of railway line throughout the country. The project shall allow Poland to move towards introducing the European Rail Traffic Management System (ERTMS), which will integrate Polish rail lines with the European railway network. Aligning Poland's communication systems with those in place throughout Europe shall avoid having to switch locomotives or onboard equipment at border crossings. This should make rail transport more cost-efficient and faster. The project should be operational as of July 2023.

The second project includes €117 million for upgrading and electrifying 46 km of railway lines, building or refurbishing stations, platforms, viaducts and bridges in northern Silesia. Works should also restore traffic on the Tarnowskie Góry-Zawiercie line while creating safe and reliable links to and from Pyrzowice airport. Once finished in May 2022, this project shall improve the efficiency of freight transport, as well as ensure reliable connections for passengers.

Poland will continue to be the biggest beneficiary of the Cohesion Policy funds in the next long-term EU budget, under which the Commission is proposing to invest more than €72 billion to support the transformation of the Polish economy, to make it greener, more competitive and innovative.



Sustainable Logistics

MARITIME FORECAST 2050 EXPLORES DECARBONISATION OPTIONS

DNV GL Maritime, the Norwegian ship classification society, has released the third edition of its [Maritime Forecast 2050](#) at the London International Shipping Week (LISW 2019). The Maritime Forecast examines the future of the shipping industry in a changing global energy landscape, with this year's edition focusing on the challenge of reducing the carbon intensity of the global fleet to meet the targets set by the IMO's greenhouse gas reduction (GHG) strategy.

The report examines how the world fleet measures up in terms of decarbonisation and looks at different strategies and pathways the industry can take to reach this goal. Three regulatory scenarios are analysed: 1) continuing under the current policies, 2) regulations becoming gradually stricter or 3) very strict regulations being introduced towards the end of the 2050 deadline. The report also looks at how these scenarios could affect the transition to low carbon fuels. The improvements in general energy efficiency in on-board operations are included as an essential part of reducing emissions.

Fuel flexibility and technologies to bridge changing fuel usage have been identified in the Forecast as essential strategies for the shipping industry to adapt to the energy transition and prepare for a low carbon future. In the deep-sea segment especially, dual-fuel solutions and alternative fuel 'ready' solutions could smooth this transition, by laying the groundwork for a future retrofit.

The Forecast shows that the uptake of low-carbon and carbon-neutral fuels is essential to meeting IMO GHG goals, with carbon-neutral fuels having to supply 30–40% of the global fleet's total energy by 2050. Under different regulatory pathways, however, the model predicts that a variety of fuels could come to the fore. The Forecast also suggests that in the deep-sea sector, ammonia, biodiesel, liquid biogas and electrofuels are promising carbon neutral options, with battery, hybrid and hydrogen solutions being potential options for the short-sea segment.

Forthcoming Events

CLECAT MEETINGS

CLECAT/FIATA Rail Institute

25 September, Brussels

CLECAT Road Logistics Institute

13 November, Brussels

CLECAT Customs and Indirect Taxation Institute

13 November, Brussels

CLECAT Maritime Logistics Institute

14 November, Brussels



CLECAT Freight Forwarders Forum 2019

14 November, Brussels

CLECAT Board/GA

15 November, Brussels

OTHER EVENTS WITH CLECAT PARTICIPATION

BDL Parliamentary Evening: Priorities for Air Transport 2019-2024

23 September, Brussels

ELP Event 'Logistics in Transition'

25 September, Brussels

FIATA World Congress

2-5 October, Cape Town, South-Africa

Digital Transport Days

7-9 October, Helsinki

Maritime Economy Forum 2019

11 October, Gdynia

ELETA Project Final Conference

5 November 2019, Brussels

Smart Ports Smart City Expo World Congress

19-21 November 2019, Barcelona

EP/COUNCIL MEETINGS

European Parliament Plenary

9-10 October, Brussels

21-24 October, Strasbourg

European Parliament TRAN Committee

24 September, Brussels

EU Transport Council

2 December, Brussels



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