

NEWSLETTER

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Table of content

AIR CARGO OPERATIONS	P 1	OF SLOT RULES	P 5
EC GUIDELINES ON THE IMPLEMENTATION OF 'GREEN LANES'	P 2	FREE BLANK SAILINGS DATABASE FOR SHIPPERS AND FORWARDERS	Р 6
JOINT DECLARATION ON PRESERVING THE FREE FLOW OF GOODS	P 2	COVID-19 CUSTOMS MEASURES	Ρ6
COVID-19: ESC/CLECAT JOINT RECOMMENDATIONS FOR DRIVERS AND CONSIGNEES/CONSIGNORS	P 3	UPDATE ON EU EXPORT RESTRICTIONS OF MEDICAL EQUIPMENT	P 7
SUPPLY CHAIN STAKEHOLDERS ALERT PRESIDENT VON DER LEYEN ABOUT THEIR DISAPPROVAL OF THE CBER EXTENSION	P 3	WTO WEBPAGE ON COVID-19 AND WORLD TRADE	P 7
OPEN SERVICE POINTS FOR TRUCK DRIVERS IN FR AND NL	P 4	WCO WARNS AGAINST TRADE IN COUNTERFEIT MEDICAL SUPPLIES	P 8
EC APPROVES DANISH PUBLIC FINANCING OF FEHMARN BELT FIXED RAIL-ROAD LINK	P 5	EUROPEAN COMPETITION AUTHORITIES STATEMENT ON COVID-19	P 8

News from Brussels

CLECAT WELCOMES EC GUIDANCE IN SUPPORT OF AIR CARGO OPERATIONS

CLECAT commends the European Commission for the speedy release of a <u>guidance document</u> recommending operational and organisational steps to support air cargo operations, which aims at ensuring that essential transport flows keep moving during the current COVID-19 crisis.



As recognised by the European Commission in its guidance document, the outbreak of COVID-19 is threatening the functioning of air cargo transport, which in turn affects the entire EU and global economy due to disruptions to the supply chain. CLECAT stresses that continued and uninterrupted air cargo services are of essential strategic importance for the European Union and its economy, as well as the public health, especially due to the nature of

goods transported by air cargo, which includes time-sensitive products, such as medical supplies.

"The guidance document issued by the European Commission contains highly valuable recommendations, which, if implemented speedily by Member States, will support air cargo operations and ensure the functioning of vital global supply chains. Therefore, CLECAT calls on the EU Member States to implement the measures set out by the European Commission as a matter of



urgency, to ensure the flow of essential goods by air transport", commented Ms Nicolette van der Jagt, Director General of CLECAT.

CLECAT members are responsible for handling 95% of all air cargo and are, as such, the vital link between exporters/importers of goods and transport operators, such as air carriers.

EC GUIDELINES ON THE IMPLEMENTATION OF 'GREEN LANES'

On 23 March, the European Commission issued practical advice on how to implement its Guidelines for border management, in order to keep freight moving across the EU during the current COVID-19 pandemic. The aim is to ensure that goods cross the border in under 15 minutes, that priority lanes are opened for transport of all goods, that national government restrictions on transport are suspended and that administrative procedures are reduced for transport workers of all nationalities.

Three objectives are in focus: 1) green lane border crossings, 2) enhanced cooperation among EU Member States and 3) the application of rules for transport workers. The release includes a full list of recommendations to protect drivers from the coronavirus (Annex 2). Further follows information concerning internationally recognised certificates of professional competences, which the Commission argues should be considered sufficient to prove that a worker is active in international transport. In the absence of such certificates (not all international drivers have one), a letter signed by the employer (Annex 3) should be accepted.

Also of interest to note is that, without prejudice to specific controls on goods or transport workers inherently and habitually linked to crossing external borders of the single market, the customs union or the Schengen area, respectively, Member States should apply to the greatest extent possible at such external borders the implementation guidance set out in this Communication.

CLECAT is pleased with the practical guidelines and encourages member associations to urge implementation at national level. While some measures have already been introduced by Member States, such as the relaxation of driving and rest time rules in road transport, CLECAT also notes that some issues still need to be addressed by the Commission, such as the possibility of delayed payment of customs duties.

The full guidance on the implementation of the 'green lanes' can be found here.

JOINT DECLARATION ON PRESERVING THE FREE FLOW OF GOODS

With the slogan "Transport keeps us going", CLECAT, together with 33 European transport organisations, has issued a Joint Declaration, stressing the essential role transport is playing in the coronavirus crisis.

"Transport and logistics play a crucial role in the supply of essential goods in this critical period. To ensure that transport can continue to keep us going, the free flow of goods between the Member States and the surrounding countries must be guaranteed. Therefore, CLECAT is thankful that the Commission has now issued concrete guidelines to the Member States on how to protect the flow of goods across the EU 'green lanes'. We hope the Member States will be following the recommendations of the Commission to ensure that goods keep moving in Europe, which is in the interest of every single EU citizen. Nonetheless, some issues still need to be addressed by the Commission, such as the possibility of delayed payment of customs duties.



The Member States should also support and encourage people working in transport, not the least the drivers who are exposed to difficult circumstances, as we have noted over the last weeks. As such, we call for more respect for the truck drivers, as they are indispensable in overcoming this crisis and therefore deserve much needed protection and vital facilities in order to do their job.

In times of emergency, logistics has an essential role in providing citizens, health services and businesses with the goods and materials they need. Our members, freight forwarders, logistics service providers and customs agents, take this responsibility very seriously," comments Ms Nicolette van der Jagt, Director General of CLECAT.

The full joint statement can be found <u>here</u>.

COVID-19: ESC/CLECAT JOINT RECOMMENDATIONS FOR DRIVERS AND CONSIGNEES/CONSIGNORS

The European Shippers' Council and CLECAT have reached out to drivers, road hauliers, logistics service providers, consignors, and consignees to work together to diminish the impact of COVID-19 at loading and unloading sites, follow the recommendations outlined below and use common sense to protect themselves and others.

To alleviate the unprecedented crisis situation in the road transport sector, the associations call on the Member States to support truck drivers, currently exposed to extremely difficult circumstances. Drivers are indispensable in overcoming the COVID-19 outbreak by ensuring the continuous provision of critical food, medical and industrial supplies that keep countries and society operational. They deserve much needed protection and adequate facilities in order to do their job. Moreover, trustworthy communication between the parties is essential. It should therefore be ensured that at least the basic facilities and minimum conditions for drivers at loading and unloading sites are available.

The associations welcome the newly published European Commission's practical recommendations for drivers and transport undertakings on the need to respect specific hygiene, social distancing, and other health and safety rules at loading and unloading locations in the wake of COVID-19.

In line with the Commission's guidelines and the Danish industry recommendations, ESC and CLECAT encourage the supply chain partners to ensure the availability and accessibility of the necessary basic facilities and equipment for the drivers at loading and unloading sites, as well as respectful cooperation and better coordination between the parties.

The recommendations can be found here.

SUPPLY CHAIN STAKEHOLDERS ALERT PRESIDENT VON DER LEYEN ABOUT THEIR DISAPPROVAL OF THE CBER EXTENSION

CLECAT has together with ETA, ESC, ETF and FEPORT, on behalf of thousands of European freight forwarders, tug owners, shippers, port companies, terminals and transport workers, sent a letter earlier this week to the President of the Commission, Ms Ursula von der Leyen, to express their strong disapproval of the decision to prolong the Consortia Block Exemption Regulation (CBER) by another four years without any changes.



The associations underline that, in light of the important changes in the market (in view of consolidation, vertical integration and digitalization) over the last five years, it was important to protect the interests of the EU logistics and supply chains. The current legal framework for liner shipping consortia has become obsolete given that most of the carriers operate in alliances and that market concentration is increasing.

The letter notes the Commission has rejected the repeated request from the associations - as outlined in their Joint Submission - that the Commission only prolongs the CBER for one year. This would have allowed a thorough, fair and more balanced review, taking into account other sources of data than those provided by the representatives of the liner shipping industry.

During the review process of the Consortia BER, which started at the end of 2018, the organizations as well as independent reports from the International Transport Forum have clearly demonstrated that the benefits of the Regulation to the customers were not achieved.



Nicolette van der Jagt, Director General of CLECAT, commented: 'The final decision is of course very disappointing. The Commission has assessed the workings of the CBER only from the perspective of carriers and the Commission itself. There is no explicit assessment against the experiences and expectations of customers of the services provided by Consortia.'

She added: 'We believe that the BER is not suitable as a legal instrument to regulate anti-competitive behaviour in the container shipper industry. Instead, there are other instruments

and possibilities that the Commission can refer to respond to the global factors significantly influencing the behaviour of shipping lines in Consortia and to the experiences of those managing global supply chains that trade with the EU.'

The full joint letter and the press release can be found here.

Road

OPEN SERVICE POINTS FOR TRUCK DRIVERS IN FR AND NL

Due to various restrictions put in place to tackle the COVID-19 crisis in different Member States, truck drivers are facing more and more issues.

In many countries, restaurants and catering facilities were forced to close. However, without any open rest areas, drivers do not have a place to get food or make a necessary sanitary stop. Where truck drivers have to wear special gear, such as protective gloves or masks, in order to cross borders, at some places it is not even possible for them to take a shower and keep their personal hygiene level up.

To overcome this problem, the French government has issued a map with an overview of service points that are still open for truck drivers. There has also been an overview of the restaurants in the Netherlands that are still open to truck drivers.



To see what restaurants are still open for truck drivers in the Netherlands, please click here.

To see the overview of the service points that are open in France, please click here.

Rail

EC APPROVES DANISH PUBLIC FINANCING OF FEHMARN BELT FIXED RAIL-ROAD LINK

On 20 March, the European Commission concluded that the public financing model of the Fehmarn Belt coast-to coast infrastructure between Denmark and Germany is in line with EU State aid rules.

In July 2015, the Commission approved the public financing model of the Fehmarn Belt fixed rail-road under EU State aid rules. In December 2018, the General Court partially annulled the Commission's decision on procedural grounds (Judgments <u>T-630/15</u> and <u>T-631/15</u>). In <u>June 2019</u>, to comply with the Court's judgment, the Commission opened an in-depth investigation into the measures granted by Denmark to Femern A/S in support of the fixed link. The investigation confirmed that the capital injections, the State guarantees on loans and the State loans granted by Denmark to Femern A/S constitute State aid under EU rules. The Commission found that the project qualifies as an Important Project of Common European Interest (IPCEI) and assessed the measures under the Communication on IPCEI.

The Commission concluded that the public measures are proportionate. It also concluded that the measures are necessary and that the positive effects of the project clearly outweigh any potential distortion of competition. On this basis, the measures are in line with EU State aid rules. Executive Vice-President Margrethe Vestager, in charge of competition policy said: "The Fehmarn Belt fixed link will contribute to the cross-border integration of the two regions it will connect. It will be key to complete the main North-South route connecting central Europe and the Nordic countries to the benefit of the European economy. Following an in-depth investigation, we concluded that the Danish measures to support this project of common European interest are in line with EU State aid rules, as the positive effects of the project clearly outweigh any potential distortion of competition".

Source: European Commission.

Air

EP PLENARY VOTES ON TEMPORARY AMENDMENT OF SLOT RULES

On 26 March, the European Parliament's plenary adopted its position on the Commission's proposal for temporarily suspending EU rules on airport slots to stop air carriers from operating empty flights during the COVID-19 pandemic. The temporary suspension would mean that airlines are not obliged to use their planned take-off and landing slots to keep them in the next corresponding season. The Parliament's Plenary voted to waive the 'use it or lose it' rule for the entire summer season, from 29 March until 24 October 2020. The proposal was adopted with 686 votes in favour, no votes against and 2 abstentions.



Any slots freed by air carriers as a result could be reallocated by coordinators according to needs, e.g. to full freighters. However, any such reallocation would have an ad hoc character only and would not affect the position of carriers that, under the rule proposed, would be deemed to have operated the slots in question.

On 20 March, the EU Member States' ambassadors in the Council's Permanent Representatives Committee (COREPER) <u>approved a mandate</u> for the Council Presidency to negotiate with the European Parliament a proposal to waive this 'use it or lose it' rule until 24 October 2020. The Council has to formally approve Parliament's position. The adopted measures will enter into force once published in the Official Journal of the European Union.

Maritime

FREE BLANK SAILINGS DATABASE FOR SHIPPERS AND FORWARDERS

Due to the rapidly developing COVID-19 crisis situation, container shipping freight data aggregator Ocean Insights is now offering its dynamic database of blank sailings to shippers and forwarders free of charge. The system is able to detect cancellations and blank sailings in advance and could be helpful given the unusually high number of blank sailings.

To receive a daily updated list of blank sailings (covering the top 3 alliances, namely 2M, THE & OCEAN), you can sign up to Ocean Insight's Liner Newsletter here.

Customs & Trade

COVID-19 CUSTOMS MEASURES

Last week, CLECAT sent an <u>urgent letter to the EU Commissioner for Economy and DG TAXUD</u>. In that letter, CLECAT and its Members requested, among other things, to provide possibilities to delay payments of customs depts, extension on procedures like Transit and the possibility to exchange paper documents in electronic format. Several EU Member States and the UK have reacted very positively and adequately to the requests made. DG TAXUD has in the meantime been addressing the issues and a formal answer is expected any moment.

It is crucial that the security of supplies and the integrity of the logistics chains in the EU are preserved in the interest of EU citizens and the EU economy. Customs plays a major role in safeguarding the security of supplies and the integrity of the supply chains. Both the authorities and the private sector which ensure the fulfilment of Customs formalities – the sector which is represented by CLECAT – require additional customs measures, support and communication to keep cargo flows running.

CLECAT's call for specific measures was well received by the Commission and national authorities. Without delay, many Member States' customs and other border authorities have taken measures which are in line with the requests as made by the Freight Forwarding and Customs Brokerage industry. Italy, for example, has granted possibilities for delay of payment, Belgium has ensured the



digital exchange of documents and Spain has reduced non-essential checks. France and the Netherlands have even addressed, in one way or another, all of the requests within a week.

The Director of the EU Commission's DG TAXUD informed CLECAT on 26 March that at EU-level, the Commission has been addressing the issues raised by CLECAT. A formal response is being finalised and is expected any moment. Additionally, the Commission indicated in a letter to the national authorities that they intend to initiate the necessary legislative steps to enable granting relief on customs duties and VAT applied on imports of protective equipment, other relevant medical devices or equipment in the context of the COVID-19 outbreak.

Various issues remain, however. The rules on importation of protective equipment are not entirely clear and each EU Member State seems to have a different approach. Additionally, it remains very important that EU-wide possibilities will be provided to delay the payment of customs debts. While some Member States have already granted this relief, others are waiting for a response from the Commission. CLECAT will remain in close contact with its members and the EU authorities to ensure the best possible measures in the interest of its members, EU citizens and the EU economy.

UPDATE ON EU EXPORT RESTRICTIONS OF MEDICAL EQUIPMENT

As reported in the CLECAT Newsletter of last week, on 15 March, the Commission published an Implementing Regulation introducing export authorisation requirements for exports of personal protective equipment (PPE) outside of the EU. In view of the evolving nature of the COVID-19 situation, the Commission has reviewed various aspects of the measures and has issued an amendment to the initial Regulation. The changes became effective on 21 March. This European approach to the export of PPE should now replace any similar national export authorisation measures or export ban that had been put in place.

The Commission has decided to exempt exports to the four Member States of the European Free Trade Association – Norway, Iceland, Liechtenstein and Switzerland – from the export authorisation requirements. A similar exemption is being granted to Andorra, the Faroe Islands, San Marino and the Vatican, as well as the associated countries and territories that have special relations with Denmark, France, the Netherlands and the UK (so-called Annex II countries). Member States may continue to grant export authorisations where no threat is posed to the availability of PPE on the EU market.

Additionally, the Commission issued a guidance document to assist with the implementation of the rules. The guidance clarifies, inter alia, that, when assessing applications for export authorisations, Member States are urged to grant such authorisations in order to avoid any disruption to closely integrated value chains and distribution networks particularly in the case of neighbouring countries and economies, and free trade partners.

Source: <u>European Commission</u>

WTO WEBPAGE ON COVID-19 AND WORLD TRADE

On 25 March, the World Trade Organization (WTO) set up a dedicated webpage to help governments, business, the media and the public to track the latest information on trade-related responses to the COVID-19 outbreak. The webpage provides up-to-the-minute information, including relevant notifications by WTO Members, the impact the virus has had on exports and imports, and how WTO activities have been affected by the pandemic.



In order to improve the monitoring of the COVID-19 pandemic trade implications, WTO Director-General Roberto Azevêdo called for transparency with regard to trade-related policies and urged WTO Members to provide information about their COVID-19 policies with trade implications. DG Azevêdo stressed the importance of transparency with regard to trade-related measures, arguing that it would be particularly useful for the many countries that rely on imports for medical supplies

WCO WARNS AGAINST TRADE IN COUNTERFEIT MEDICAL SUPPLIES

On 23 March, the World Customs Organization (WCO) issued a notice urging Member Customs administrations to be vigilant against counterfeit medical supplies. The notice comes after an alarming number of reports quoting seizures of counterfeit critical medical supplies, such as face masks and hand sanitizers.

The WCO reminds the general public to exercise extreme caution when purchasing critical medical supplies from unknown sources, particularly online, as criminals have turned the COVID-19 crisis into an opportunity for fraudulent activity. The WCO reports a significant increase in seizures of counterfeit and unauthorized face masks and hand sanitizers during Operation Pangea XIII, a collaborative enforcement effort by the WCO, Interpol, Europol, Customs administrations, Police forces and other law enforcement agencies. Online retailers have also announced a surge in sales of counterfeit goods, leading to the removal of products claiming to cure or prevent COVID-19, or removal of listings due to price hiking for products in high demand, such as masks. Another important trend is the introduction of export licences for certain categories of critical medical supplies.

In this context, on 25 March, the WCO launched the Intellectual Property Rights (IPR) CENcomm Group for data exchange on counterfeit medical supplies and fake medicines. The web-based communication system will allow a closed user group of Customs officers to exchange intelligence information, messages and alerts via secure channels.

Source: World Customs Organization

General

EUROPEAN COMPETITION AUTHORITIES STATEMENT ON COVID-19

On 23 March, all competition authorities in the European Competition Network (the European Commission, the European Surveillance Authority, and the national competition authorities of the EU/EEA) issued a joint statement on how to apply the European competition rules during the crisis.

Jointly, the authorities recognised the social and economic impact of the crisis and underlined that the competition rules are flexible enough to take into account changes in market circumstances such as the once caused by the COVID-19 pandemic. Companies that need further guidance are encouraged to contact either the national competition authorities, the Commission or the EFTA Surveillance Authority for further guidance in individual cases.

The full statement is available <u>here</u>.



Forthcoming Events

CLECAT MEETINGS

CLECAT Maritime Logistics Institute 23 April 2020, Online Meeting

CLECAT Customs and Indirect Taxation Institute 27-28 April 2020, Online Meeting

Contact

Nicolette van der Jagt Director General CLECAT

Rue du Commerce 77, B-1040 Brussels, Belgium

Tel +32 2 503 4705 / Fax +32 2 503 47 52 E-mail nicolettevdjagt@clecat.org / info@clecat.org

y @CLECAT_EU www.CLECAT.org



