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News from Brussels

EUROPEAN COMMISSION RECOVERY COMMUNICATION

Earlier this week, the European Commission has put forward its [proposal](#) for a major recovery plan. To ensure the recovery is sustainable, even, inclusive and fair for all Member States, the European Commission is proposing to create [a new recovery instrument, Next Generation EU](#), embedded within revamped long-term EU budget. The Commission has also unveiled its [adjusted Work Programme for 2020](#), which will prioritise the actions needed to propel Europe's recovery and resilience.

The [Communication](#) from the Commission recognises that the crisis has also demonstrated the crucial role that transport plays, with interrupted transport and logistic routes across all modes hitting our value chains and economies. To help create more jobs, there will also be a focus on accelerating the production and deployment of **sustainable vehicles and vessels** as well as **alternative fuels**. The Connecting Europe Facility, InvestEU and other funds will support the financing of the installation of **one million charging points**, clean fleet renewals by cities and companies, sustainable transport infrastructure and enable the shift to clean urban mobility. Public investment to relaunch the recovery of the transport sector should come with a commitment from industry to invest in cleaner and more sustainable mobility.

More information is available [here](#).

COUNCIL ADOPTS RELIEF MEASURES FOR AVIATION AND RAILWAYS

On 25 May, the Council adopted a temporary amendment to the rules on air services to support airlines and airports in the face of a sharp drop in air traffic due to the coronavirus pandemic. The Council also adopted an extension to the transposition deadline for the Rail Safety and Interoperability Directives of the Fourth Railway Package to give the rail industry and the authorities flexibility and legal certainty in the current circumstances. Both legal acts are part of the transport emergency package presented by the Commission on 29 April 2020.

The regulation on aviation amends the air carrier licencing rules in the event of financial problems caused by the COVID-19 pandemic in order to avoid unnecessary administrative burdens. It also introduces a derogation to the procedures used by Member States to impose traffic rights restrictions to deal with emergencies resulting from unforeseeable and unavoidable circumstances. The derogation will clarify that a Member State may temporarily keep a justified and proportionate emergency measure in place for a period longer than 14 days, but the measure may only remain in force for as long as there are public health risks clearly linked to the coronavirus pandemic. The Commission may suspend this action at the request of any Member State involved or on its own initiative.

In addition, new temporary rules on ground-handling services shall help airports to continue operating in the event of a ground-handling company going bankrupt, by introducing a direct procedure for the selection of service providers. It shall also help airports avoid complex tenders by allowing for the extension of contracts up to 2022.

The transposition deadline for the Rail Safety and Interoperability Directives of the Fourth Railway Package will be extended from the current date of 16 June 2020 to 31 October 2020. This shall give the rail sector and the authorities more legal certainty and flexibility for addressing the extraordinary circumstances caused by the coronavirus outbreak.

The legislative acts were published in the [Official Journal of the European Union on 27 May 2020](#), and entered into force the day after, i.e. on 28 May.

COUNCIL ADOPTS TEMPORARY FLEXIBILITY FOR LICENCES

The Council has adopted temporary measures enabling the extension of the validity of certain certificates and licences in road, rail and waterborne transport, and relaxing the rules on charging ships for the use of port infrastructures. The aim is to help companies and authorities cope in the extraordinary circumstances created by the coronavirus crisis.

The Regulation enabling the extension of the validity of certificates and licences shall support those transport operators, individuals and national administrations that, owing to the coronavirus restrictions, are having difficulties fulfilling certain administrative formalities before the expiry of the relevant deadlines. This applies for instance to driving licences, roadworthiness tests for motor vehicles and boat-masters' certificates. Certain periodic checks in the road, rail, inland navigation and shipping sectors will also be postponed temporarily, as they may not be feasible in current circumstances.

The text takes into account the fact that, given the differences in the spread of the pandemic throughout Europe, some Member States are able to continue to deliver specific licences or certificates, while others find it difficult or impossible to do so. However, even if a country continues



to issue licences itself, it will need to accept licences originating in another Member State which has used the possibility of extending their validity. This shall help ensure the smooth functioning of the internal market and continued cross-border activities.

COVID-19: AMENDMENT OF THE PORT SERVICES REGULATION

On the 25 May, the European Parliament and the Council adopted [Regulation \(EU\) 2020/697](#), which the European Commission proposed as an amendment to the Port Services Regulation (EU) 2017/352 in order to provide flexibility on the reduction, deferral, waiver or suspension of port infrastructure charges as a response to the COVID-19 crisis.

Both in the European Parliament and in the Council the proposal faced widespread opposition and was considered of limited added-value by many delegations and Members of Parliament, as the Regulation already grants port managing bodies the necessary autonomy.

With their agreement, the Council and the Parliament significantly improved the Commission's proposal by granting the port managing bodies (in respect of national law) the competence to choose which measures to take. In addition, measures can be decided on a case-by-case basis. The temporary amendment can be applied for all measures taken as from 1 March 2020 until 31 October 2020.

Maritime

ESC-DREWRY SHIPPER SATISFACTION SURVEY 2020

The shipping lines' ability to provide cargo space as needed showed a marginal improvement in 2019, but this gain will have been dramatically reversed by the end of the first half of this year, according to the 4th annual ESC-Drewry shipper satisfaction survey. The survey, run jointly by Drewry and the European Shippers' Council (ESC), reveals that the 227 shippers and forwarders who took part rated the service of container shipping lines with an average score of 3.2 on a scale of 1 (very dissatisfied) to 5 (very satisfied).

The level of satisfaction for 16 different carrier service and cost criteria reviewed in the survey has been found to be diverse among respondents. Satisfaction with clarity of prices and surcharges, transit times and quality of customer service in 2019 ranked lowest – with scores of 2.8 to 3.

Satisfaction with the availability of cargo space provided in 2019 ranked higher, at 3.3, and improved from 3.2 in 2018. The availability of cargo space is now seen by shippers and forwarders as the most important criterion of carrier service, meaning that an improvement in cargo space availability in 2019 was a welcome development for the industry.

However, following the COVID-19 outbreak in February 2020, some 281 Asia-Europe and Asia-North America sailings have been cancelled and availability of cargo space has decreased dramatically. "Drewry foresees that the next ESC-Drewry survey will show growing concerns among shippers for three specific areas of service quality: availability of space and equipment, reliability of bookings and carriers' financial stability," said Philip Damas, head of the logistics practice at Drewry. "These are key factors of carrier and forwarder selection particularly in today's disrupted market, but also in the next year as and when ocean-borne volumes recover," he added.



Shippers and forwarders also indicated that carrier performance has deteriorated between 2018 and 2019 in four areas: the range of different available carriers, the range of different available services, the price of service and the overall carrier service quality. However, carrier performance related to sustainability/green and carrier financial stability has improved since 2019, according to respondents.

Source: [Drewry](#)

1ST ANNUAL EU REPORT ON CO2 EMISSIONS FROM SHIPPING

The European Commission has published the first annual [report](#) on CO2 emissions from maritime transport, which analyses the CO2 emissions and energy efficiency information of all the ships over 5,000 gross tonnage, active in the European Economic Area (EEA) in 2018. Emissions reported by 11,600 ships have added up to over 138 million tonnes of CO2 emissions in that year, representing 3.7% of total EU CO2 emissions according to the European Environment Agency's GHG emissions data.



This annual report is based on 2018 emissions data, reported by companies until September 2019 under the EU Regulation on monitoring, reporting and verification (MRV) of CO2 emissions from maritime transport. The data and report will be published each year, to allow a better understanding of the characteristics, CO2 emissions and energy efficiency of the monitored fleet.

The report shows that around two-thirds of the reported CO2 emissions are related to voyages to or from a port outside the EEA. Voyages inside the EEA represented only 32% of total CO2 emissions, and emissions from ships in EEA ports stood for 6% of total emissions. Among different ship types, container ships represented the largest share of total emissions, with over 30%.

The technical energy efficiency of the monitored fleet is generally comparable to that of the world fleet (except for small-size container ships). Most of the monitored fleet already meets the global energy efficiency standards applicable over the period 2020-2025. In terms of operational energy efficiency, the vast majority of ships have reduced their speed compared to 2008 (by -15 to -20%). Since 2018, the EU MRV Regulation requires shipping companies to monitor their CO2 emissions, fuel consumption and other relevant information during navigation to or from ports in the EEA, when they transport cargo or passengers for commercial reasons.

Source: [European Commission](#)

Rail

MEP DELLI AND RAIL FREIGHT SECTOR CALL FOR MODAL SHIFT

On 28 May, Karima Delli, Chair of the European Parliament's Transport and Tourism (TRAN) Committee, together with the Executive Director of the European Union Agency for Railways (ERA) and the CEOs of the European rail freight transport companies members of the Rail Freight Forward Initiative, decided to set up a new coalition of rail freight.



The rail freight coalition aims at working on the ways to encourage modal shift, with the ambition to increase the modal share of rail freight in Europe from currently 18% to 30% by 2030 and beyond. It further argues that fostering modal shift across the EU is one of the solutions to comply with the ambitions of the Green Deal as well as the EU's climate goals.

"We are then all committed to relaunch rail freight as far as possible. We look forward to building synergies between the different transport modes: maritime transport for heavy and long distances, railway transport across borders and along corridors, and road transport for the last miles", the coalition stated. The coalition has identified four working issues: Rail Freight as a priority, need of economic and financial support, investments, and digitalisation.

Source: [European Union Agency for Railways](#)

Air

EC PROPOSAL ON CORSIA BASELINE ADJUSTMENT

On 19 May, the European Commission published a [proposal for a Council Decision](#) amending the EU's position on the reference period for measuring CO₂ emissions growth ("baseline") for the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the International Civil Aviation Organization (ICAO) to 2019.

The proposal takes into account the impact of COVID-19 on the CORSIA baseline that is used to determine future offsetting requirements for airlines in order to achieve carbon neutral growth from 2020. The proposal notes that the ongoing pandemic will lead to a substantial reduction of CO₂ emissions from international aviation in 2020. Thus, it would simultaneously lead to a substantially lower CORSIA baseline, unless the definition of CORSIA's baseline is reviewed, which would entail higher offsetting requirements.

The proposal notes that the EU and its Member States have consistently advocated for a global reduction target for greenhouse gas emissions from international aviation no higher than 2020 levels. However, it argues that under the present circumstances a reference to 2019 as the baseline period is the closest possible proxy based on real data for the purposes of mirroring ICAO's long-term goal of carbon neutral growth from 2020. Against this background, and with a view to preserving sufficient support and to preserve key CORSIA design elements, based on the information currently available, the Commission notes that it appears expedient to accept calendar 2019 as single baseline period.

The decision of the Council on whether to adopt this position is expected for 3 June. In the meantime, on 27 May, Members of the European Parliament's Environment (ENVI) Committee, have written a [letter to the Commission](#) urging it to abstain from making changes to CORSIA's baseline. In the letter they express their concern about the effect which such a change could have. More specifically, they refer to a recent analysis which suggested that taking 2019 as the only reference year for the start of CORSIA would seriously undermine the environmental integrity of the scheme. Therefore., they urge the Commission to wait until the review of CORSIA in 2022, which would be the "proper moment to decide upon any potential changes to the CORSIA-baseline".



EC OVERVIEW OF STATE AID RULES APPLICABLE TO AVIATION DURING COVID-19

On 19 May, the European Commission published an [informal overview](#) of the State aid rules and public service obligations applicable to the air transport sector during the COVID-19 outbreak.

In the document, the Commission acknowledges that Member States are faced with the need to ensure basic connectivity during the COVID-19 outbreak to secure the supply of essential goods, including food and medicine, to keep essential airports open and to plan for ensuring connectivity in the recovery phase. In particular, Member States may need to urgently put in place public services to respond to specific needs or to replace commercial offers that have become unavailable due to the COVID-19 outbreak. In the field of transport, these public services could include, *inter alia*, services aiming at ensuring basic connectivity needs across the territories (e.g. islands, remote areas) and ensuring the supply of essential products (e.g. food, drugs, medical equipment).

The Commission's note provides guidance on the various support measures Member States may use in line with EU State aid rules and Public Service Obligations rules in the exceptional context of the COVID-19 outbreak. The first section describes the measures that do not constitute State aid within the meaning of Article 107(1) TFEU and, therefore, do not need to be notified to the Commission. The second section describes the measures that constitute State aid but may be exempted from notification to the Commission if they fulfil certain requirements. The third section describes the measures that constitute State aid and need to be notified to the Commission. However, the document does not deal with the exit plans and post-crisis return to normal activities

Please note that, at this stage, the note is a working document prepared by the services of the European Commission for information purposes. It does neither express an official position of the Commission, nor does it prejudice any such position. It is without prejudice to the interpretation of the Treaty provisions on State aid by the Union Courts.

Source: [European Commission](#)

Sustainable Logistics

EP TRANSPORT COMMITTEE OPINION ON EU CLIMATE LAW

The Transport Committee of the European Parliament (TRAN) has published its [opinion](#) on the proposal for the European Climate Law, put forward as part of the European Green Deal in December 2019, which aims to embed the 2050 climate-neutrality target into EU law.

As a key point, the rapporteur, [Tilly Metz](#) (LU/Greens), proposes that the EU should eliminate its emissions, including those from international aviation and shipping, by 2040, i.e. a decade earlier than what was proposed by the Commission. She also specifies that each Member State shall reach net zero emissions within its territory at the latest by 2040. With respect to the EU 2030 target, the rapporteur suggests increasing it to at least 65%, compared to 1990.



The rapporteur also proposes that the Commission should present a comprehensive set of legislation to ensure that the aviation and maritime sectors are aligned with the objectives of the Climate Law. “For aviation, the overall climate effect is significantly higher than its GHG emissions,” she explains, stressing that “it is important to add these non-CO2 effects of aviation to the scope of the regulation.” Finally, the rapporteur suggests that the Commission shall present a comprehensive analysis of all direct and indirect fossil fuels subsidies in all the Member States.

Please note that the Members of the TRAN Committee will have the possibility to submit amendments and vote on the final position of the Committee in June.

Brexit

EU-UK NEGOTIATIONS STATE OF PLAY

From 11 to 15 May, the EU and the UK held the third round of negotiations on their future economic partnership. The agenda for the third round covered all areas of the negotiations, including the areas where limited progress was achieved during the previous two rounds. The discussions enabled the parties to clarify a number of issues in areas such as trade in goods, transport and the UK’s participation in future programmes of the Union. The EU and the UK were also able to initiate the beginnings of a dialogue on fisheries, even if their positions remained very far apart. However, with the exception of some modest overtures, the parties failed to make any progress on any of the other more difficult topics, such as the level playing field, the overall governance of the future partnership and police and judicial cooperation in criminal matters, including protection of fundamental rights and individual freedoms, and data protection.

The [fourth round of negotiations](#) will take place between 2-5 June. The EU and the UK will have the possibility to jointly decide by 30 June on the extension of the transition period, according to the possibility that is foreseen in the Withdrawal Agreement, and taking into account the progress made in the negotiations.

Notably, on 19 May, the UK [published](#) legal texts setting out their approach to the future relationship with the EU. The main element is a proposal for a comprehensive Free Trade Agreement (FTA) covering substantially all trade. The UK also put forward separate agreements on fisheries; law enforcement and judicial cooperation in criminal matters; and technical areas covering aviation, energy, and civil nuclear cooperation. UK’s proposal draws on previous EU trade agreements such as those with Canada, Japan and South Korea. In this regard, [Michel Barnier, the European Commission’s Chief Negotiator](#), and [David Frost, the UK’s Chief Negotiator](#), exchanged letters on their respective views of UK’s approach and going forward with the negotiations.

On 20 May, the UK [published](#) a document setting out how the UK will meet its obligations under the Northern Ireland Protocol, as part of meeting in full its obligations under the Withdrawal Agreement with the EU.

Additionally, the UK also [published](#) its new Global Tariff which will replace the EU’s Common External Tariff on 1 January 2021 at the end of the transition period. The tariffs will apply to all goods imported into the UK, unless an exception such as a preferential arrangement or tariff suspension applies, for example, to goods coming from developing countries that benefit under the Generalised Scheme of



Preferences, or to goods originating from countries with which the UK has negotiated a free trade agreement.

Customs and Trade

END OF EU EXPORT AUTHORISATION SCHEME FOR PPE

On 26 May, the European Commission announced that the export authorisation scheme for personal protective equipment (PPE) ceased to apply from 26 May. The Commission explained that its assessment of the scheme's application led to the conclusion that it has served its purpose. There has been no request to prolong the scheme, which was put in place as a temporary measure in March this year.

According to the reports submitted by Member States, exporters requested more than 1,300 authorisations based on the regulation that entered into force on 26 April. Some 95% of all applications have been approved. Also based on Member States' reports, more than 13 million protective masks, around 1 million protective garments and more than 350,000 protective masks and visors have been exported from the EU since 26 April.

Source: [European Commission](#)

USE OF REX FOR EXPORTS TO EAST & SOUTH AFRICA

The European Commission published an [Official Notice](#) to EU economic operators informing that as from 1 September 2020, EU exports to the Eastern and Southern African (ESA) States shall benefit from the preferential tariff treatment upon submission of invoice declarations made out by exporters registered in the EU's REX system. An invoice declaration can be submitted by any operator for any consignment whose total value does not exceed €6 000. From 1 September, movement certificates EUR.1 or invoice declarations made out by approved exporters will not be accepted by ESA States.

EU economic operators are invited to take the necessary measures to apply the new provisions from 1 September and register in the REX system. EU operators who are already registered in the REX system for the purpose of benefitting from other preferential arrangements shall use the REX number which is already assigned to them.

These changes follow the entry into force on 31 March 2020 of the amended Protocol 1 of the EU-ESA interim Economic Partnership Agreement (iEPA), concerning the definition of the concept of 'originating products' and methods of administrative cooperation.

Source: [European Commission](#)



General

EU TRADE POLICY POST-COVID

On 28 May, the Trade Expertes, the European Centre for International Political Economy (ECIPE) and Women in Trade Network in Brussels organised a webinar on the EU's trade policy in a post-COVID environment. Speakers from DG TRADE, ECIPE and BusinessEurope discussed ways to reset and revitalize global trade after so much discord. In particular, the debate touched upon the challenges and priorities for trade policy post-pandemic, key aspects of enhancing supply-chain resilience, and the way forward for EU's trade policy and its Transatlantic relations.

Ms Sabine Weyand, Director-General for Trade at the European Commission, noted that there were three main ongoing trends in global trade that warned on increased protectionism, namely the increased state intervention in the economy, the new dimensions of US-China relations and the weakening of multilateral institutions. In that regard, she highlighted the main priorities for a post-pandemic trade being the need to restore the trust in the multilateral trading system, the need for the EU to take a more strategic approach to its relations with the US and China and to enhance the resilience of EU economy through open strategic autonomy. She stressed that supply chains had to be reassessed and move away from just-in-time to just-in-case organisation.

On the topic of reinforcing supply-chain resilience, the discussion pointed to the need to analyse supply-demand vulnerabilities and address existing risks with a strategic and fact-based approach, in order to create incentives for businesses to invest in Europe. The speakers stressed the importance of appropriate conditions and regulatory framework supporting sustainable investment. They also highlighted the key role of digital trade and sustainability and better conditions for research and innovation across Europe.

Additionally, the participants agreed that the current crisis shows the need of a real discussion about the value, purposes and aims of the World Trade Organization (WTO). They acknowledged the challenges that the WTO is facing with regards to its legitimacy and efficiency and that the EU could play a role in reviving the multilateral trading system by strengthening its relations with the US.

Forthcoming Events

EVENTS AND MEETINGS

CLECAT Road-Rail Institutes (in presence of EU Transport Commissioner's Cabinet)

2 June 2020, **Online Meeting**

CLECAT Air Logistics Institute

16 June 2020, **Online Meeting**

CLECAT Supply Chain Security Institute

16 June 2020, **Online Meeting**



CLECAT Board Meeting
9 July 2020, **Online Meeting**

EU MEETINGS

Council of the European Union

Transport, Telecommunications and Energy Council
4-5 June 2020, Luxembourg

Environment Council
22 June 2020, Luxembourg

European Parliament

European Parliament Transport Committee
8 June 2020, Brussels

Extraordinary European Parliament Plenary
17-18 June 2020, Brussels

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