CLECAT NEWSLETTER european association for forwarding, transport, logistics and customs services

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News from Brussels

MOBILITY PACKAGE 1 PUBLISHED IN EU OFFICIAL JOURNAL

Following the approval of the new rules on the social and market access pillars of the 1st Mobility Package in the European Parliament's (remote) Plenary session on 8 July, the legal texts have been published today in the European Union's Official Journal. While the rules on driving and rest times will apply as of 20 August 2020, the rules on posting, as well as on market access and cabotage, will apply as of February 2020. More specifically, the new rules will enter into force and apply as follows:

- <u>Regulation (EU) 2020/1054 on Driving and Rest Times</u>: This Regulation enters into force on the twentieth day following that of its publication in the OJ, i.e. <u>20 August 2020</u>. However, point (15) of Article 1 and point (12) of Article 2 shall apply from 31 December 2024.
- <u>Regulation (EU) 2020/1055 on Market Access (Cabotage)</u>: This Regulation enters into force on the twentieth day following that of its publication in the OJ, i.e. <u>20 August 2020</u>. However, its rules shall only <u>apply from 21 February 2022</u>.
- <u>Directive (EU) 2020/1057 on Posting of Drivers</u>: This Directive enters into force on the day following that of its publication in the OJ, i.e. 1 August 2020. The transposition period for Member States to adopt and publish the measures necessary to comply with this Directive has been set to 2 February 2022. They shall apply those measures from <u>2 February 2022</u>.

Source: Official Journal of the European Union

31 July 2020

Maritime

MAERSK FLOW LAUNCHED

The <u>Maersk Flow digital platform</u> has been unleashed to provide small and midsize shippers with everything they need to take control of their supply chains from factory to market. A.P. Møller – Maersk announced the launch of the Platform on Tuesday and said it strengthened its position as a global integrator of container logistics. "The solution enables transparency in critical supply chain processes and ensures that the flow of goods and documents is executed and planned," Maersk said in Tuesday's announcement. "It also reduces manual work and costly mistakes while empowering logistics professionals with all the current and historical data they need to sustainably improve their supply chain."

Maersk has been steering its customers toward digitization. On 1 September, Maersk will charge customers in the United States and Canada for changing bookings or making documentation amendments via email, phone or chat. A \$50 fee will be applied for each manual booking amendment and \$75 for a bill-of-lading amendment. "The daily life of small- and medium-sized businesses is increasingly global, complex and fast-paced," Maersk said. "And for many of these companies this complexity is managed fully manually via spreadsheets, emails and phone calls, which despite lots of hard work is leading to reduced visibility and control — and ultimately higher costs or lost sales. With Maersk Flow, these companies will be able to take control of their supply chains."

Source: Freightwaves

DIGITALISATION OF SHIPPING

Digitalisation, big data, and new technologies, such as artificial intelligence, are key in enabling the post-COVID recovery, IMO Secretary-General Kitack Lim told a webinar (28 July) on Digital Connectivity and Data Standards. "Cooperation between shipping, ports and logistics will be vital for enhancing the efficiency and sustainability of shipping and therefore facilitating trade and fostering economic recovery and prosperity," Mr Lim said. He highlighted IMO's key role in ensuring shipping can embrace the digital revolution – while ensuring safety, environmental protection as well as cyber security. "Digitalisation and new technologies will also be the key to allowing standardisation and therefore enhancing the efficiency of shipping."

The need for standardisation was also highlighted by IMO's Facilitation Head, Julian Abril, who noted the mandatory requirement for electronic data exchange in the Facilitation Convention, effective since April 2019. Discussions are currently underway towards making a single maritime window mandatory – so that all data for arrival and departure of ships is submitted through a single point and transmitted to the relevant agencies involved. The standardisation and harmonisation needed for this to happen is captured in the IMO Compendium on Facilitation and Electronic Business, a tool for software developers that harmonises the data elements required for regulatory purposes during a port call and standardises electronic messages, reducing the administrative burden for ships linked to formalities in ports. The goal is to make it easier for companies involved in maritime trade or transport to create software that can communicate, no matter which standard they are based on. Cooperation, communication and collaboration between the various stakeholders to maintain and further develop the compendium, as well as looking into expanding its data set and data model to areas beyond the FAL Convention, has been formalised in a partnership agreement signed in March 2020 between IMO,

the World Customs Organization, the United Nations Economic Commission for Europe and the International Organization for Standardization.

Source: IMO

Rail

ERA PROGRESS REPORT ON INTEROPERABILITY

On 16 July, the European Union Agency for Railways (ERA) published its latest biennial report on Railway Safety and Interoperability in the EU. The report is based on data for the reporting period 2018, and where available, for 2019. The aim is to provide a thorough overview of the development of railway safety and interoperability in the EU, as well as to facilitate evidence-based policymaking at EU level.

The report notes that there has been sound progress in railway interoperability concerning the alignment of operational frameworks in terms of rules, however, only modest improvements are visible in making the railway assets interoperable. At border crossings, the weaknesses in railway interoperability are most visible. According to ERA, even the core corridors suffer from the lack of technical interoperability due to the patchy deployment of the European Rail Traffic Management System (ERTMS) and non-conformity with TSIs in new infrastructure projects. In many areas, delays in the implementation of legal requirements in a few Member States consequently delay the interoperable deployment of railways in other countries, not allowing them to fully benefit from the harmonised system. For example, the delayed implementation of TAF TSIs and RINF negatively affects railway customers daily experience and the reputation of European railways as a whole. ERA further notes that the ongoing economic crisis should not be used as an excuse for any delays in the implementation of requirements for which the deadline has already passed. "We all need to enhance our efforts in particular in the area of railway data interoperability", says Josef Doppelbauer: "high quality interoperable railway data are essential for European railways. I invite all parties involved to intensify their collaboration with the Agency."

The full report is available <u>here</u>. The full library of Safety and interoperability progress reports by ERA can be accessed <u>here</u>.

Air

AIR CARGO RECOVERY CONTINUES IN JUNE BUT AT A SLOW PACE

The data released by the International Air Transport Association (IATA) for global air freight markets on 27 July, shows improvements in June, but at a slower pace than some of the traditional leading indicators would suggest.

The data shows that global demand in June, measured in cargo tonne kilometres (CTKs), dropped 17.6% year-on-year. This represents a modest improvement from the 20.1% year-on-year drop

recorded in May. Simultaneously, global capacity, measured in available cargo tonne kilometres (ACTKs), decreased by 34.1% in May year-on-year, compared to the 34.8% year-on-year drop in May.

Belly capacity for international air cargo shrank by 70% in June year-on-year due to the withdrawal of passenger services amidst the COVID-19 crisis. This was partially offset by a 32% increase in capacity through expanded use of freighter aircraft.

In terms of regional performance, all regions suffered declines in June. Airlines in Europe and Latin America suffered the sharpest drops in year-on-year growth in total air freight volumes. More specifically, European carriers reported a 27.6% annual drop in international cargo volumes in June. This was a slight improvement from May's performance of -29.5% but still the second weakest performance of all regions. Airlines in Asia-Pacific and the Middle East experienced slightly less dramatic declines. Airlines in North America and Africa saw more moderate drops compared to the other regions.

Source: <u>IATA</u>

ICAO IMPLEMENTATION PACKAGES FOR SUPPORTING STATES DURING COVID-19

On 10 July, the International Civil Aviation Organisation (ICAO) introduced a new series of implementation packages (iPACKs) to support States' aviation response, recovery, and resilience efforts during COVID-19. "Addressing priority areas for States and industry such as aviation safety, security, public health, passenger facilitation, airports and air navigation services, and air transport economics, these new ICAO iPACKs have been developed in full alignment with the ICAO Council's Aviation Recovery Task Force (CART) Report and associated 'Take-off' guidelines," emphasised ICAO Secretary General Dr. Fang Liu.

The ICAO iPACKs will comprise guidance material, training, tools, expert assistance and, if needed, procurement assistance. They can be acquired by government decision makers, civil aviation authorities, national air transport facilitation committees, aviation service providers, and supply chain stakeholders.

So far, three iPACKs have been published on <u>Strengthening Aviation Security</u>, <u>Strengthening National</u> <u>Air Transport Facilitation Committees for Re-Start and Resilience of Civil Aviation</u>, and <u>Aviation Safety</u> <u>Risk Management related to COVID-19 for Civil Aviation Authorities</u>. More information on the iPACKs is available <u>here</u>.

Source: <u>ICAO</u>

GERMAN PRESIDENCY AVIATION SUMMIT

On the occasion of the German Council Presidency's Aviation Summit, the European Commissioner for Transport, Ms Adina Vălean, held a speech on the Commission's plans towards a crisis-proof, innovative and climate-friendly aviation industry. The Commissioner acknowledged that it had been a very difficult and unprecedented time for the entire transport sector, and in particular aviation, including serious financial consequences for all stakeholders.

On the temporary lifting of airport slot requirements, which was introduced as a relief measure earlier this year, she explained that the Commission was monitoring how air traffic was evolving in Europe



and would present a summary report by 15 September. She added that the intention was to adopt a delegated act to extend the waiver for part of the 2020/2021 winter season. However, the Commission was also considering proposing another amendment to the Slots Regulation, to ensure that any further extension would be made subject to certain conditions – as a way of guaranteeing the most efficient use of airport capacity, and a level playing field between carriers and airports.

Ms Vălean emphasised that the Commission remained committed to the European Green Deal objectives, which included cutting emissions for the aviation sector. She referred to the utilisation of sustainable alternative fuels (SAF) as way for the aviation sector to contribute to the EU's environmental objectives. In that regard, she noted that the Commission was currently working on a proposal to boost the production and market uptake of SAFs, arguing that SAFs had the potential to play a key role in accelerating the decarbonisation of aviation. This would be particularly true for advanced biofuels and electro-fuels, which were fully compatible with current technology and already certified by EASA for up to 50% of the fuel used during a flight.

Regarding ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), Ms Vălean highlighted that it was now in line with the requests of the EU. Therefore, a proposal would be made to implement CORSIA in the EU by June 2021.

Lastly, she referred to the Single European Sky, noting that the amended SESII+ proposal was now in the final stages of preparation and would be passed on for approval soon. The amendments aimed at updating the proposal, as requested by the EU Transport Ministers in December 2019. The German Presidency should be able to begin discussions on the proposal in September, in view of obtaining agreement from Ministers by the end of the year.

Source: European Commission

EU STATE AID FOR AIRLINES AND AIRPORTS

Executive Vice-President Margarethe Vestager responded to a <u>parliamentary question</u> on the public bailout of European airlines and their subsidiaries in third countries as part of the ongoing EU-UK negotiations for a new partnership. She noted that the Commission is finalising the assessment of the Guidelines on state aid to airports and airlines to determine whether they are still fit for purpose. Once this assessment is finalised, with an expected publication in autumn 2020, the Commission will assess whether there is a need to review these guidelines, taking also into account the impact of the COVID-19 crisis.

Ms Vestager noted that it is too early to predict if and how such future guidelines may apply to subsidiaries of EU airlines based in third countries. An agreement on a future relationship between the EU and the UK is yet to be concluded, but the EU negotiating position on state aid control is set out in the EU negotiating directives of 25 February 2020 and in the draft legal text tabled on 18 March 2020.

Both the UK and Ireland can conclude public service contracts or amend existing ones to maintain basic connectivity during the COVID-19 pandemic. The Commission services recently published on the website of the Directorate-General for Competition guidance on state aid rules and public service obligation rules applicable to the air transport sector during the COVID-19 outbreak.

Source: European Parliament

Security

EU SECURITY UNION STRATEGY PUBLISHED

On 24 July, the European Commission published its new <u>EU Security Union Strategy for the period</u> <u>2020 to 2025</u>. From combatting terrorism and organised crime, to preventing and detecting hybrid threats and increasing the resilience of critical infrastructure, to promoting cybersecurity and fostering research and innovation, the strategy lays out the tools and measures to be developed over the next 5 years to ensure security in the EU's physical and digital environment.



This strategy lays out 4 strategic priorities for action at EU level, namely:

1.) A future-proof security environment, including, inter alia, new EU rules on the protection and resilience of critical infrastructure (physical and digital) and the review of the Network and Information Systems Directive (NIS Directive), which is the main European Cybersecurity legislation, as

well as outlining strategic cybersecurity priorities. <u>2.) Tackling evolving threats</u>, e.g. by ensuring that existing EU rules against cybercrime are fit for purpose and correctly implemented. <u>3. Protecting Europeans from terrorism and organised crime</u>, including a focus on anti-radicalisation and tackling organised crime. <u>4.) A strong European security ecosystem</u>, including the strengthening of Europol's mandate.

Source: European Commission

Brexit

UK GRANTS FOR CUSTOMS INTERMEDIARIES

As of 29 July, customs intermediaries can apply for £50 million of new funding to increase their capacity to make declarations ahead of the end of the transition period. HMRC is now encouraging customs intermediaries and traders who make their own declarations to take advantage of the funding that can cover: training that helps to complete customs declarations and processes; hiring new staff to help complete customs declarations; and IT improvements to help complete customs declarations more efficiently.

In order to be eligible for the additional funding, businesses must: have been established in the UK for at least 12 months before the submission of their application and when the grant is paid; and not have

previously failed to meet their tax obligations. In addition, businesses must meet one of the descriptions below:

- complete or intend to complete customs declarations on behalf of your clients;
- be an importer or exporter and complete or intend to complete declarations internally for your own goods;
- be an organisation which recruits, trains and places apprentices in businesses to undertake customs declarations.

The full HMRC guidance including details on the criteria and how to apply you can find <u>here</u>.

HMRC acknowledges that after the transition period ends, intermediaries, such as customs brokers and freight forwarders, will play a critical role for businesses. With this additional funding, the UK Government has now made available £84 million to grow the customs intermediary sector to encompass EU trade after 2020.

Source: UK Government

STATE OF PLAY OF EU-UK NEGOTIATIONS

On 24 July, the EU's Chief Brexit Negotiator Michel Barnier <u>reported</u> on the conclusions of the 6th negotiating round on the EU-UK future partnership, held between 20-23 July. He noted that during the negotiations, the EU and the UK managed to make some progress in the areas of social security coordination and Union programmes, overall governance of the agreement, and police and judicial cooperation. On two important subjects, transport and energy, the parties held intense and useful discussions. However, there was still no progress on two essential topics of the economic partnership, namely level playing field for open and fair competition and fisheries.

Michel Barnier further recalled that in order to avoid additional friction on EU-UK trade, the parties must come to an agreement in October at the latest, so that the new treaty can enter into force on 1 January next year. He added that the second meeting of the Specialised Committee on the Protocol on Ireland and Northern Ireland had been a useful occasion to take stock of the progress on its implementation. Given that there was no grace period for the proper implementation of the Protocol, however, concerns remained that the necessary measures will not be in place on 1 January.

REVISED EU COMMISSION GUIDANCE ON CUSTOMS AND ORIGIN

In the meantime, the European Commission continued with the revision of its sector specific notices that aim to help different sectors better prepare for the end of the transition period. Notably, the Commission updated the <u>Guidance Notice on customs matters and preferential origin</u>, which explains in more detail the applicable customs formalities required under Union law after the transition period. In particular, the notice covers practical aspects relating to, *inter alia*, EORI numbers, customs decisions, safety and security, special procedures, as well as preferential origin.

All revised technical notices, as well as the EU Commission Communication on readiness after the transition period you can find on the Commission's <u>webpage</u>.

Customs and Trade

EU TRADE DEFENCE POLICY FUNCTIONS WELL

On 23 July, the European Court of Auditors (ECA) published a report that examines whether the European Commission successfully enforced the EU's trade defence policy. The report concludes that the Commission has been successful in enforcing trade defence policy, but that there is room to improve the policy's effectiveness, particularly in view of the growing tensions in global trade politics.



However, the report recommends that in order to make its trade defence actions both more efficient and more effective, the European Commission should: document its assessments of the confidentiality status of the documents which parties provide; raise awareness of trade defence instruments among industries; improve guidance on competition aspects; improve

the focus of monitoring activities and the scope of reporting; define its conditions for launching the investigations at its own initiative; use clear criteria to prioritise the EU's response to measures by third countries.

The EU's trade defence policy provides protection for European companies facing unfair practices in international trade. In such cases, the European Commission can impose trade defence measures which usually take the form of extra duties to compensate for losses suffered by EU industry. Trade policy is an exclusive competence of the EU, meaning that the European Commission is responsible for carrying out investigations and imposing duties on behalf of the Member States.

Source and full report: European Court of Auditors

UPDATED LIST OF COUNTRIES APPLYING THE REX

On 27 July, the European Commission published an updated list of countries applying the Registered Exporter System (REX). In particular, the REX entered into application in the French Southern and Antarctic Territories (TF) as of 15 July 2020 in the context of the <u>Overseas Association Decision</u> (as amended).

Since 1 January 2020, the REX system is applied by the Overseas Countries and Territories (OCTs). Notably, there is no transition period for the application of the REX system by the OCTs and therefore, as from 1 January 2020, tariff preference are granted at import in the EU on products originating in OCTs only on presentation of statements on origin made out by registered exporters. Certificates of origin EUR.1 or origin declarations made out by approved exporters are no longer admissible in the EU. To apply the REX system, an OCT needs to comply with 2 pre-requisites (as it is also the case in the Generalised System of Preferences (GSP)). The Commission's webpage on the REX system provides more information on which OCTs already comply with those 2 pre-requisites.

Source: European Commission

General

EESC ON CHALLENGES FOR COMPLETING TEN-T NETWORK BY 2030

During its July plenary session, the European Economic and Social Committee (EESC) argued that completing key EU transport corridors is vital, but that obstacles persist at national level which could be largely overcome by involving civil society organisations early on.

Constant changes in the EU Member States' domestic political priorities are a fundamental obstacle to achieving timely implementation of the trans-European transport network (TEN-T) projects, and this raises doubts as to whether it will be possible to complete the Core Network by 2030. The warning comes from Alberto Mazzola's information report on the Evaluation of the Trans-European Network – Transport (TEN-T) guidelines 2013-2020, adopted at the EESC July plenary session.

During the plenary debate, Mr Mazzola said: "We share stakeholders' doubts as to whether the Core Network can be completed by 2030, but we consider this target to be important in order to push Member States to work harder and that several major cross-border projects could be completed by that date."

One issue concerning TEN-T infrastructure is maintenance: the need for maintenance has been greatly underestimated in several countries, where it is now emerging as a serious problem, while in others it has been properly carried out. In this respect, the EESC calls for urgent national plans for ordinary and extraordinary maintenance funding and believes a European core network monitoring plan would be appropriate.

Source: European Economic and Social Committee

EU INVESTS OVER €2 BILLION IN 140 KEY TRANSPORT PROJECTS

The EU is supporting the economic recovery in all Member States by injecting almost $\in 2.2$ billion into 140 key transport projects, with the aim of delivering on its climate objectives set out in the European Green Deal. These projects shall help build missing transport links across the continent, support sustainable transport and create jobs. The projects will receive funding through the <u>Connecting</u> <u>Europe Facility (CEF)</u>, the EU's grant scheme supporting transport infrastructure.

A particularly strong emphasis is put on projects reinforcing railways, including cross-border links and connections to ports and airports. Inland waterway transport shall be supported through more capacity and better multimodal connections to the road and rail networks. In the maritime sector, priority will be given to short-sea-shipping projects based on alternative fuels and the installation of on-shore power supply for ports to cut emissions from docked ships.

The EU will support rail infrastructure projects located on the <u>trans-European transport (TEN-T)</u> core network with a total of ≤ 1.6 billion (55 projects). This includes the Rail Baltica project, which integrates the Baltic States in the European rail network, as well as the cross-border section of the railway line between Dresden (Germany) and Prague (Czechia). Nine projects will contribute to an interoperable railway system in the EU and the seamless operation of trains across the continent through the <u>European Rail Traffic Management System (ERTMS)</u>, Upgrading locomotives and railway track to the unified European train control system will boost safety, decrease travel times and optimise track usage. The nine projects will receive over €49.8 million.

It will also support the shift to greener fuels for transport (19 projects) with almost €142 million. A number of projects involve converting vessels so they may run on Liquefied Natural Gas (LNG), as well as installing corresponding infrastructure in ports.

Road transport will also see the deployment of alternative fuels infrastructure, namely through the installation of 17,275 charging points on the road network and the deployment of 355 new buses.

Source: European Commission

EU LONG-TERM BUDGET DEAL

The recovery fund is a "historic move", but long-term EU priorities such as the Green Deal and the Digital Agenda are put at risk, MEPs say. In a <u>resolution on the conclusions of the extraordinary</u> <u>European Council meeting of 17-21 July 2020</u>, MEPs pay tribute to the victims of the coronavirus and to all the workers who have been fighting the pandemic. In the Resolution, which serves as a mandate for the upcoming negotiations on the future EU financing and recovery, Parliament welcomes EU leaders' acceptance of the recovery fund as proposed by Parliament in May. MEPs deplore however the "massive cuts to the grant components" and call for full democratic involvement of Parliament in the recovery instrument which "does not give a formal role to elected Members of the European Parliament".

As for the long-term EU budget, they disapprove of the cuts made to future-oriented programmes and consider that they will "undermine the foundations of a sustainable and resilient recovery." Flagship EU programmes for climate protection, digital transition, health, youth, culture, research or border management "are at risk of an immediate drop in funding from 2020 to 2021", and that as of 2024, the "EU budget as a whole will be below 2020 levels, jeopardising the EU's commitments and priorities."

Parliament thus does not accept the European Council's political agreement on the 2021-2027 Multiannual Financial Framework (MFF) as it stands and "will not rubber-stamp a *fait accompli*". MEPs are "prepared to withhold their consent" for the long-term EU budget, the MFF until a satisfactory agreement is reached in the upcoming negotiations between Parliament and the Council, preferably by the end of October at the latest for a smooth start of the EU programmes from 2021.

Source: European Parliament

Forthcoming Events

EVENTS AND MEETINGS

CLECAT Customs and Indirect Taxation Institute 19 August 2020, Online Meeting



CLECAT Board/General Assembly 10 September 2020, Online Meeting

CLECAT Air Logistics Institute 22 September 2020, Location TBC

CLECAT Supply Chain Security Institute 22 September 2020, Location TBC

CLECAT Freight Forwarders Forum 12 November 2020, Location TBC

CLECAT Board/General Assembly 13 November 2020, Location TBC

EVENTS WITH CLECAT PARTIPATION

Digital Transport Days 1 December 2020, Online Event

Competition Law in Transport 1 December 2020, Brussels

EU MEETINGS

Council of the European Union

Transport Council 28 September 2020, Brussels

Environment Council 23 October 2020, Luxembourg

European Parliament

European Parliament Transport Committee 2-3 September 2020, Brussels

European Parliament Plenary

14-17 September 2020, Strasbourg

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