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News from Brussels

MOBILITY PACKAGE I TAKES OFF: CLECAT CALLS FOR CLEAR IMPLEMENTATION GUIDELINES



Following the recent adoption of new social and market access rules for road transport in the EU, known as the Mobility Package I, the Regulation on driving and resting times will enter into force by the end of this month. The adoption of the package was claimed to be a success as it followed a long and bumpy road by the co-legislators over the last 3 years.

Other parts of the package, such as the Regulation governing access to the road haulage market and to the profession of road haulage operator, have an 18-month implementation time, meaning that the new rules will only apply as of February 2022. This is also the case with the Directive laying down the new rules on the posting of drivers. The adequate levels of flexibility for driving and rest time rules, as well as the agreement on rules regarding the weekly rest periods for international road freight transport drivers are indeed positive, but there are remaining questions, unclarities and concerns.

At the time when companies are seeking to recover from the implications of the COVID-19 crisis, the industry is confronted with an overly complex deal, which still needs further guidelines for interpretation. CLECAT therefore welcomes the European Commission's intent to publish detailed implementation guidelines by this autumn, which we deem necessary to ensure legal certainty for the

companies, as well as uniform application and enforcement of the rules by the Member States, which is so important for the European Single Market.

One example we are particularly concerned with is the definition of a simple cabotage operation. Currently, some Member States interpret cabotage in such a way that a haulier is only allowed to carry cabotage-cargo from one and the same shipper under one consignment note or risk breaching the cabotage restrictions. The problem with such an interpretation is that it leads to more trucks on the road rather than less, translating into not only higher prices but ultimately more emissions.

Since the definition of a cabotage operation has not been amended in the revised EU legislation, we are concerned that some national competent authorities may continue to consider every partial unloading as a separate cabotage operation. There is a pending court case on this issue in Sweden dating back to 2018 and, more recently, there have also been similar instances in Germany. As such, CLECAT and its members call on the Commission to provide further guidance on the definition of a cabotage operation in the upcoming implementation guidelines of the Mobility Package I, as it would help avoid conflicting interpretations by national competent authorities in different Member States.

More generally, there are also remaining questions on the economic and environmental impact of the new measure mandating the regular return of the vehicle to the country of establishment, which is closely connected to the return of the driver. We appreciate the additional Commission's impact assessment of these provisions and the willingness to engage with CLECAT as one of the most affected stakeholders. While the targeted stakeholder consultation will be launched later on in August, the results of the impact assessment should be available around the New Year.

Most importantly, the question remains whether the new rules can be implemented practically and whether they are in line with the ambition of the EU to have a free circulation of goods, services and persons. CLECAT regrets deeply that the main industry concerns were not taken into account by the co-legislators throughout the negotiations. This relates in particular to the inclusion into the agreement of the posting obligation for international transport, as well as generally unclear and hardly enforceable posting rules, the return of the vehicle, the 4-day 'cooling-off' period and other restrictions on cabotage operations, as well as the prohibition to spend the weekly rest in the cabin.

Overall, we fear that different interpretations of the road transport rules would continue to prevail among the Member States, leading to further internal market fragmentation and disproportionate national measures. With that in mind, clear Commission's guidance to the national authorities and the industry on the interpretation of the Mobility Package I conclusions are of particular importance to prevent this from happening.

CLECAT CALLS FOR ATTENTION FOR REMAINING BREXIT ISSUES

On 13 August, CLECAT issued a [position paper](#) addressing the remaining Brexit issues, which require the attention of both the UK and EU negotiators. These relate to the operational issues and uncertainty, which prevent businesses to fully prepare for 1 January 2021, when the transition period ends. As freight forwarders and customs brokers handle the vast majority of transport and customs formalities, they are of strategic importance to ensure an orderly flow of goods between the EU and the UK as of 2021. On both the EU and the UK side, issues relating to the negotiations, the implementation, communication and capacity remain.

Nicolette van der Jagt, Director General of CLECAT said: 'According to the current state of play in the negotiations, operators on both sides would have to lodge entry and exit summary declarations, also known as safety and security declarations. These customs declarations have to be filled in addition to



the already required import, export and transit declarations, which contain largely the same information. Therefore, the safety and security declarations are a major additional administrative burden for transport and logistic operators. Therefore, CLECAT urges the negotiating parties to conclude an agreement through which customs safety and security declarations can be waived.'

'On the EU side', she continued, 'CLECAT understands that a phased approach, like the UK has taken, is not feasible. Nonetheless, we urge the EU to take its own ongoing implementations into account when putting border formalities into place. In the next couple of years, many legal and IT implementations will take full effect. Logistics operators will have to implement a large amount of new systems and accompanying procedures at EU and national level. Many of these implementations take place around the same time the UK will leave the EU, but the implementations are not aligned. This means that in various cases, old systems and procedures need to be implemented, only to be replaced shortly after by new national or EU systems.'

Ms van der Jagt added: 'CLECAT commends the UK Government for its active engagement and efforts to keep businesses informed and prepared. The Border Operating Model published by the UK Government is helpful. However, sufficient practical and technical guidance regarding specific aspects and formalities at border crossings is still needed, as well as more information on the movement of goods into, out of and through Northern Ireland. We are aware of the complexity of the ongoing discussions between the EU and the UK. However, if crucial information for preparedness is only available once the negotiations are concluded, there will not be sufficient time left for the industry to get ready. This relates especially to negotiations on Northern Ireland.'



'CLECAT also appreciates the efforts of the UK Government to boost the capacity of the intermediary sector. However, we consider that in order for them to be fully effective, the entrepreneurial risk should be covered, and additional efforts could be taken to increase the attractiveness of the sector.'

Ms van der Jagt concluded: 'Our sector is doing all it can to be prepared for the end of the transition period, but ongoing operational issues and uncertainty prevent businesses from getting ready. CLECAT therefore calls for stability and timely communication of overall policies regarding the EU-UK future relationship, procedures and formalities.'

The position paper is available for download [here](#).

EFTI REGULATION PUBLISHED IN EU OFFICIAL JOURNAL

On 31 July, the Regulation on electronic freight transport information (eFTI Regulation) was [published in the Official Journal of the European Union](#). The eFTI Regulation enters into force on the twentieth day following that of its publication, i.e. on 20 August 2020. It will become partly applicable as of August 2024 and will be fully applicable as of August 2025.

The eFTI Regulation obliges EU Member States to accept regulatory transport information if a company wishes to provide it in a digital format. At the same time, it harmonises the data and the systems through which the data is exchanged across different countries, pieces of legislation and modes of transport.



When it starts applying as of August 2024, the eFTI Regulation will provide the framework for safe, secure and fully interoperable exchange of information between business and authorities on the movement of goods in the EU. The eFTI Regulation will allow the economic operators to record the cargo transport information only once, on an eFTI-certified platform of their choice, and share it electronically with the competent authorities in any EU Member State. According to the Commission's impact assessment, €20-27 billion in administrative cost savings for operators can be achieved over 20 years through the eFTI Regulation.

The challenge is now to develop and adopt the first implementation specifications by 21 February 2023. The preparation for this work has already started in the Digital Transport and Logistics Forum's (DTLF) Subgroup 1, the Commission Expert Group, which advises and assists the Commission on the creation and implementation of the eFTI legislation. CLECAT is rapporteur of the Subgroup and several of its members actively participate. CLECAT has contributed intensively to the adoption of the eFTI legislation in its current format and is looking forward to continuing the work with the Commission.

Road

EUROPEAN ROAD FREIGHT RATE BENCHMARK Q2 2020

On 4 August, Transport Intelligence and Upply, European logistics and road freight market intelligence providers, published the [European Road Freight Rate Benchmark](#) report for Q2 2020, which shows that road freight rates have fallen to their lowest level since 2018 amidst the COVID-19 pandemic.

The pandemic has rapidly changed the demand, supply and cost dynamics in European road freight, the report finds. After the first effects were felt in February and early March, the fall-off in demand for road freight services was substantial. Data from Verizon Connect that studies readings from tachographs shows total driver operating hours fell by an average of 50% across Europe from mid-February to early April.

Although volumes were dramatically lower than normal, carriers were not willing to accept loads at any price. Carriers were able to utilise government support schemes and/or reduce work schedules for drivers. This meant that the effective available capacity fell drastically, causing rates to stay relatively firm. As the outbreak receded and countries relaxed lockdown restrictions, economic activity began to return but export growth still appears weak. Carriers have redeployed capacity (albeit slowly) and this appears to have kept rates low towards the end of the quarter too.

On the cost side, carriers faced an increase in some operational costs, due to factors such as border controls and investments in PPE. On the contrary, diesel prices across Europe fell by 8.2% compared to the previous quarter. Although this softened the blow for carriers that were losing revenue, these savings do not appear to have been passed on to the customers, according to the researchers.

Overall, volatility has been a prominent feature in the market over 2020. The report shows the majority of the 36 lanes investigated were more volatile, both compared against the previous quarter and Q2 2019. However, the report also finds that rates developed differently across Europe's major trade lanes. For instance, the report finds Germany-Poland rates pushed higher, with France-Spain relatively stable and France-Germany rates below Q1 levels.

A full report can be accessed on the [Transport Intelligence](#) website.



Maritime

CONTAINER SPOT RATES CONTINUE TO CLIMB

Container spot rates have continued to climb over the last week as lines successfully implement price increases even as they add more capacity. The composite index of the World Container Index increased 3.2% this week and is now up 40.7% up when compared with same period of 2019, according to the latest assessment by Drewry.

The weekly increase in the composite index was reflected in significant gains on most trade lanes, with prices fired on some routes by significant 1 August Generate Rate Increases (GRI). Freight rates on the leading fronthaul lanes spiked, with rates on Shanghai to New York climbing 4%, or \$125, to reach \$3,510 per forty-foot equivalent unit (FEU), and spot rates from Shanghai to Rotterdam surging 4% (\$72 per FEU) to \$1,856 per FEU.

Illustrating how lines have carefully managed capacity to keep rates high even as demand has fallen year-on-year during the coronavirus pandemic, spot rates on the Shanghai-New York and Shanghai-Rotterdam routes are now 26% and 14% higher than a year ago. On the main trans-Pacific trade, prices also remain buoyant. Spot freight rates on the Shanghai to Los Angeles rose 3% (\$90) over the last week to reach \$2,934 per FEU. Rates on the trade are now a staggering 82% higher than a year ago. Rates on backhauls are also rising. Rates from Los Angeles to Shanghai and Rotterdam to New York climbed 1% and 2% this week to reach \$518 per FEU and \$2,264 per FEU, respectively. Drewry, which expects the rates to remain steady in the coming week, said the average composite index of the WCI is now \$1,701 per 40ft container, which is \$292 higher than the five-year average of \$1,409 per 40ft container.

Flexport's latest ocean freight report warned shippers to expect 15 August GRIs from lines on Asia-US West Coast, Asia-US East Coast and Asia-Europe services with capacity on all three key fronthaul routes classified as "very full" or "tight". Carriers have been reintroducing laid up vessels to bolster capacity in recent weeks but historically, the idle fleet remains substantial. According to Alphaliner, the inactive container fleet fell to 313 ships as of 20 July, representing 6.6% of the total containership fleet capacity.

Although this was 1.16 million TEU below the 2.72 million TEU peak that it reached in late May, it was still the highest relative amount of inactive capacity during the summer peak shipping season since July 2009 when 10% of the fleet lay idle in the context of the financial crisis. "Although ship unemployment will continue to recede in the coming weeks, it is vain to assess a forecast for the rest of the year as the rise in unemployment usually observed after the end of the summer peak season has to be compounded with the uncertain impact of the still evolving COVID-19 pandemic," said Alphaliner.

Source: [Lloyd's Loading List](#)

PUBLIC CONSULTATION ON SUSTAINABLE MARITIME FUELS

The European Commission has opened the public consultation for the 'FuelEU Maritime – Green Maritime Space' initiative, seeking industry contributions to an assessment of how to accelerate the uptake of sustainable alternative energy and power by the shipping sector.



The 'FuelEU Maritime – Green European Maritime Space' initiative was announced as a legislative initiative in the context of the 2020 Commission Work Programme. It will be an important element of the Strategy on Sustainable and Smart Mobility, focusing on ramping up the production, deployment and uptake of sustainable alternative marine fuels, ensuring technological neutrality (low and zero-emissions sustainable alternative fuels and power, including but not limited to: liquid biofuels, e-liquids, decarbonised gas (including bio-LNG and e-gas), decarbonised hydrogen and decarbonised hydrogen-derived fuels (including methane and ammonia) and electricity), regulating access of the most polluting ships to EU ports and obliging docked ships to drastically reduce their emissions.

By creating a clear pathway for the demand of sustainable alternative fuels in maritime transport, the 'FuelEU Maritime – Green European Maritime Space' initiative aims to accelerate the achievement of low-emission, climate-neutral shipping and ports by promoting the uptake of sustainable alternative energy and powertrain systems. This initiative is a first concrete step to bring the maritime sector in line with the European target of reaching climate-neutrality by 2050. However, it does not address issues related to the energy system and infrastructure, taxation, state aid or the EU Emissions Trading System, which will be subject to specific proposals and policy actions.

The consultation can be accessed [here](#) and will be open until 10 September 2020. CLECAT will elaborate on the subject together with its members of the Maritime and Sustainability Institutes, in view of submitting the position of the freight forwarding and logistics industry.

THE FOURTH IMO GREENHOUSE GAS STUDY

On 4 August, the International Maritime Organisation (IMO) released the final report of the Fourth IMO Greenhouse Gas (GHG) Study. Prepared by a global consortium led by CE Delft, the study finds that total GHG emissions from maritime shipping rose about 10% from 2012 to 2018.



In total, the report finds that the GHG emissions from shipping have increased from 977 million tonnes in 2012 to 1,076 million tonnes in 2018 (9.6% increase). Looking specifically at the CO₂ component of the total GHG emissions, the researchers find a similar rate of increase from 962 million tonnes in 2012 to 1,056 million tonnes of CO₂ emissions in 2018 (9.3% increase). As a result of this, they estimate that the share of shipping emissions in global GHG emissions has increased from 2.76% in 2012 to 2.89% in 2018.

Another important area that the study looks at is the carbon intensity of shipping, a new addition to the IMO GHG Studies. It is reported to have improved for international shipping as a whole, as well as for most ship types, but the growth in activity was larger than the efficiency gains. The analysis also notes that improvements in carbon intensity have not followed a linear pathway and more than half of them were achieved before 2012. The pace of carbon intensity reduction has slowed since 2015, with average annual percentage changes of only 1-2%, the report says.

The study also estimates a striking 150% increase in methane emissions from 2012 to 2018. The increase in these emissions was largely due to a surge in the number of ships fuelled by liquefied natural gas (LNG), many of which produce high methane emissions. The study also includes, for the first time, the inventory of black carbon (BC) emissions from ships. The study found that BC emissions



increased approximately 12% from 2012 to 2018. To note, the IMO is scheduled to agree on black carbon regulations next year.

Looking forward, the report provides a range of long-term economic and energy scenarios, creating a projection that business-as-usual GHG emissions from shipping are projected to increase by up to 50% above 2018 levels by 2050. This means that much work lies ahead if the sector is to meet the IMO's goal of cutting GHG emissions from international shipping by at least 50% from 2008 levels by 2050. Notably, the authors expect that emissions in 2020 and 2021 will be significantly lower due to the impact of COVID-19, but, depending on the recovery trajectory, the overall impact of COVID-19 is likely to be smaller than the uncertainty range of the presented scenarios.

The Fourth IMO GHG Study was submitted to the Marine Environment Protection Committee (MEPC) in July 2020 as document [MEPC 75/7/15](#), which can be downloaded via the [IMODOCS](#) website (upon free public registration). Following the consideration and approval of the MEPC, the study will serve as a key resource in the IMO's works to revise its GHG strategy.

Rail

AUSTRIA ANNOUNCES DISCOUNT ON TRACK ACCESS CHARGES

On 8 August, the Austrian government announced that it intended to support rail freight operators with a discount on track access charges. The measures are expected to be implemented by Autumn 2020. In addition to this, the Austrian government intends to grant a capital injection of €61 million to ÖBB Rail Cargo Group, the freight branch of the state rail company ÖBB. For the entry into force, however, in addition to the legal basis of a regulation, EU approval under state aid law is also required. This is to be discussed at the next Council meeting in September.

Commenting on the planned measures, the Austrian Minister of Climate Protection, Leonore Gewessler, said: "During the corona crisis, we saw how important a well-functioning transport chain is. Rail freight in particular has proven to be reliable even in times of crisis. Now that we are on our way out of this crisis, we want to support this reliability."

Source: [Railfreight](#)

EC APPROVES GERMAN SCHEME TO SUPPORT R&D IN RAIL FREIGHT

On 12 August, the European Commission approved under EU State aid rules a €500 million German scheme to support research, development and innovation in rail freight transport. The scheme, which will have an annual budget of €100 million, will run until the end of 2024. The support will take the form of direct grants.

Under the scheme, aid will be granted to two types of projects, namely (i) the development and testing of innovative technologies by means of pilot projects and digital test cases, as well as the use of demonstrators, and (ii) the market introduction of innovative new technologies. The scheme aims at encouraging the modal shift from road to rail transport, by improving digitisation and increasing the logistics capabilities and interoperability of rail freight transport, thus rendering it more competitive.



The Commission considered that the scheme is necessary to incentivise investments in research, development and innovation of new technologies in the rail freight sector. It also considered that the measure is proportionate in view of the significant investment required for the research activities. The Commission found that the measure will improve the competitiveness of European railways and foster the shift of freight traffic from road to rail, in line with the EU's environmental and transport objectives, without unduly distorting competition. On this basis, the Commission concluded that the measure is compatible with EU State aid rules, in particular [Article 93](#) of the Treaty on the Functioning of the European Union and the 2008 Commission [Guidelines on State aid for railway undertakings](#).

The non-confidential version of the decision will be made available under the case number SA.55353 in the [State aid register](#) on the Commission's [competition](#) website once any confidentiality issues have been resolved.

Source: [European Commission](#)

Air

PUBLIC CONSULTATION ON SUSTAINABLE AVIATION FUELS

On 5 August, the European Commission launched a [public consultation](#) on the 'ReFuelEU Aviation' initiative, which consists of measures to reduce GHG emissions in the aviation sector. The Commission is currently assessing different policy options to boost the development and uptake of sustainable aviation fuels in the EU. It invites citizens and interested parties from industry and society to share their views and ideas.

Commissioner for Transport, Adina Vălean, said: "To achieve the targets of the [European Green Deal](#), the transport sector will need to reduce its emissions by 90%. All transport modes are expected to contribute, including aviation. In the past months, the aviation sector has been heavily hit by the coronavirus pandemic. The objective of our ReFuelEU Aviation initiative is to use the recovery as an opportunity for aviation to become greener and help to reach the EU's climate targets by boosting the largely untapped potential of sustainable aviation fuels."

The initiative was announced as part of the European Green Deal in December 2019 and will be part of the Sustainable and Smart Mobility Strategy scheduled for adoption before the end of 2020. The consultation is available on the ['Have Your Say'](#) portal, where interested parties are invited to share their feedback and opinions. The consultation will be open until 28 October 2020.

CLECAT will elaborate on the subject matter together with its members in the Aviation and Sustainability Institutes, in view of submitting the position of the freight forwarding industry on sustainable aviation fuels.

ICAO ROADMAP TO SUPPORT COVID-19 RECOVERY RESPONSE

On 27 July, the International Civil Aviation Organisation (ICAO) began the roll-out of a civil aviation recovery Global Implementation Roadmap (GIR). This shall provide an enabling framework for countries as they begin to apply the COVID-19 pandemic restart and recovery measures in the ICAO Council's Aviation Recovery Task Force (CART) recommendations and annexed 'take-off' guidance document.



According to ICAO, the activities and initiatives identified in the GIR provide the required support for countries as they begin to apply the COVID-19 pandemic restart and recovery measures recommended in the CART Report. These in turn are to be guided at every stage by the latest and best public health advice relevant to the local COVID-19 status states are facing.

As a 'one size fits all' approach may not respond to the respective state's efforts, the GIR shall support and complement states and industry actions, where necessary. Global and regional GIR initiatives will be aligned, documented and updated, and these initiatives, along with the associated timelines, will be compiled in the GIR's Online Roadmap.

Source: [ICAO](#)

Security

ENISA SURVEY ON SME CYBERSECURITY PREPAREDNESS

The European Union Agency for Cybersecurity (ENISA) has launched a public survey for EU small and medium-sized enterprises (SMEs) to share their feedback on their state of digital security and preparedness for crises such as COVID-19. The survey asks respondents to identify their main cybersecurity challenges and their level of preparedness to cope with the most common threats. The survey is addressed to, *inter alia*, individual owners and employees of EU SMEs. The survey is open until 15 September at 12:00 CET. If you are interested, you can [participate in the survey here](#).

Findings will be published later this year in the form of a good practice guide. This will provide advice that will focus on how businesses can successfully overcome digital challenges in a crisis such as the COVID-19 pandemic and how they can better prepare themselves for similar crises in the future.

Source: [ENISA](#)

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 PARTICIPATION

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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