

NEWSLETTER

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Brussels News

FFF2020: 'LOGISTICS PUT TO TEST AT TIMES OF CRISIS'

You are invited to <u>register</u> to this year's online edition of the CLECAT Freight Forwarders Forum, which will take place in less than two weeks on the 12th of November. Entitled 'Logistics put to test at times of crisis', the event features four sessions following a 'set the scene' panel on what we have learned so far from the ongoing pandemic:



- Liner shipping put to test: serving global trade at times of crisis
- Future EU-UK relationship: implications for logistics and customs
- Mobilising European freight forwarders to take action to reduce emissions
- Air cargo logistics supply chains put to test at times of COVID-19

Confirmed speakers include Maja Bakran Marcich, Deputy Director General, DG MOVE, Stijn Rubens, Drewry, Olaf Merk, ITF, Pyers Tucker, Senior Advisor Corporate Development, Hapag Lloyd AG, Daniel Boeshertz, DG COMP, Lamia Kerdjoudj-Belkaid, FEPORT, Jens Roemer, Managing Director, a. hartrodt, Chris Taylor, UK Mission to the EU, Sophie Punte, Smart Freight Centre, Graham Major-Ex, Head of Green Revenue, Sennder, Paul Crombach, KLM Martinair Cargo, Christophe Dussart, Deputy Head of Unit for Aviation Policy, DG MOVE, Lothar Moehle, Director AVSEC & Governance Global Air Freight, DB Schenker Alessandro Albertini, President of ANAMA, David Bellon, President, Air Cargo Belgium and many others.

More information on each session and a detailed programme is available on the <u>CLECAT website</u>.



EC ADDITIONAL COVID-19 RESPONSE MEASURES

On 28 October, the European Commission launched an additional set of actions to help limit the spread of the coronavirus, save lives and strengthen the internal market's resilience. Concretely, the measures aim to better understand the virus' spread and the effectiveness of the response, ramp up well-targeted testing, bolster contact tracing, improve preparations for vaccination campaigns, and maintain access to essential supplies such as vaccination equipment, whilst keeping all goods moving in the Single Market and facilitating safe travel.

The Commission's Communication on additional COVID-19 response measures sets out next steps in key areas to reinforce the EU's response to the resurgence in COVID-19 cases. As regards freight transport, since March, the application of <u>Green Lanes</u> – most notably for road freight to cross borders in less than 15 minutes – has helped to maintain the supply of goods and the economic fabric of the EU. The Commission proposed to extend the Green Lane approach to ensure that multi-modal transport works effectively in areas including rail- and waterborne freight and air cargo, and provides additional guidance to facilitate application in practice, on issues such as electronic documentation, and availability of rest and refuelling points. Member States should ensure the seamless free movement of goods across the Single Market.

In order to give Member States better and cheaper access to the tools needed to prevent, detect and treat COVID-19, the Commission extended the temporary suspension of customs duties and VAT on the import of medical equipment from non-EU countries. The Commission also proposed that hospitals and medical practitioners should not have to pay VAT on vaccines and testing kits used in the fight against the coronavirus.

Source: European Commission

DIGITAL ENFORCEMENT IN ROAD TRANSPORT WORKSHOP

On 22 October, CLECAT participated in an online workshop on Digital Enforcement in Road Transport, which was organised by the European Commission's DG MOVE. The objective of the workshop was to start a debate between the Commission and the stakeholders about the future of enforcement.

The Commission presented the existing enforcement tools (digital tachograph) and platforms such as ERRU, RESPER, TACHOnet and IMI. The Commission equally provided an overview of the recently adopted eFTI Regulation and the scope of the upcoming implementing/delegated acts on the development of eFTI platforms for electronic exchange of transport information on goods moved within the EU.

Invited speakers presented enforcement tools and innovative solutions which focused on the digitisation of data relevant to transport operations and enabling contactless controls. It was highlighted that the sector is in search of innovative solutions to make controls less burdensome, less time consuming, less costly and contactless. The digital technologies make it possible to have all necessary information about transport operation collected in one place in a digital format and to give access to those who need to control the transport operation at its various phases (freight forwarders, shippers, customs officers, inspectors, clients).

There was a broad consent about the need for modern innovative enforcement system based on collaboration and trust between private sector and public authorities. The Commission concluded that in an EU vision such smart enforcement system should involve: targeted risk-based controls,



contactless and paperless inspections based on access to digital data on drivers, operators, vehicles and cargo accessible in one place.

Brexit

CLECAT BREXIT 2021 PREPAREDNESS MEETING



On 29 October, CLECAT organised a special Brexit 2021 Preparedness meeting for its members, which was held online. The meeting gathered around 100 participants from within the CLECAT membership, as well as UK and EU Customs administrations.

As Brexit preparations remain to a large extend a task for the private sector, the meeting aimed to provide CLECAT members and their companies with an overview of the various country-specific border measures and procedures, and Brexit-related IT solutions applicable at the end of the

transition period. Additionally, the meeting discussed capacity building, communication and information sharing initiatives from both industry and customs authorities.

The meeting kicked off with a brief overview of the state of play of the negotiations on the EU-UK future economic partnership. It was stressed that regardless of whether the EU and the UK reach a trade deal before the end of the transition period, customs formalities will apply, and business will have to get ready to deal with customs. The introductory session was followed by five country-specific sessions. The meeting gathered representatives of the Customs administrations of the UK, Belgium, France, the Netherlands and Ireland, who presented their respective local procedures and processes, as well practical preparedness measures and efforts. Alongside their contributions, presentations were also given from CLECAT's members BIFA, Forward Belgium, TLF Overseas, FENEX/TLN and IIFA.

CLECAT would like to thank all the participants in the Brexit 2021 Preparedness meeting as well as the kind help of its members with the organisation of the event. CLECAT will continue to provide support to its members in the process of the UK's departure from the EU in the best way possible.

Road

TRANSPORT MINISTERS CONTEST MOBILITY PACKAGE I

As reported previously, Bulgaria, Cyprus, Hungary, Lithuania, Malta, Poland and Romania have lodged individual complaints to the Court of Justice of the EU (ECJ) against the Mobility Package I.

This week, the transport ministers of these countries have released a joint statement, arguing that the recently adopted Mobility Package I legislation will harm EU road transport undertakings, which are mostly SMEs. The Mobility Package I provisions will hinder the efficient functioning of EU supply chains, at a time when the timely delivery of strategic goods such as medicines is indispensable, they note.





The adopted measures in the Mobility Package I have gone far beyond the original objectives of reforming EU law on international road haulage, the ministers state. They lead to the distortion of the EU Single Market by introducing artificial administrative barriers to the functioning of road transport companies. These will result in higher prices for transport services and consequently for goods in the EU, which will in turn reduce the EU's global competitiveness and increase costs for consumers.

The new legislative acts do not provide a level playing field for EU hauliers and introduce protectionist measures that hinder competition among EU Member States. This approach runs counter to the idea of furthering the EU Single Market. Moreover, the geographical specificities of the Member States located at the external borders of the EU, as well as island Member States, were not taken into account.

The ministers are particularly disappointed with the obligatory return of vehicles to the Member State of establishment of the haulier and argue that it is an example of a provision that is not only discriminatory among the different Member States but also incoherent, as it undermines ambitious EU goals in the field of environmental policy and is contrary to the European Green Deal. This provision is expected to result in additional 3 million tons of CO2 emissions in the whole EU per year, they note.

EUROPEAN ROAD FREIGHT CAPACITY DIPS, RAISING PRICES

European available road freight capacity on the spot market dipped sharply in September, compared to the same month last year, falling by almost 14%, according to the latest <u>Transport Market Monitor</u>, published by the cloud-based logistics software provider Transporeon and its subsidiary Tim Consult.

It is the lowest capacity index calculated by the study since 2017, which also showed that capacity fell by 14% between August and September this year, reflecting a progressive recovery of business activity and road freight transport demand since July. The prices were down by 3.8% last month, compared to September 2019, but were up 8.2% compared to August 2020, as the impact of lower capacity levels kicked in. Last month's prices were more or less at a similar level to the average of 2018.

Analysing the data at a webinar earlier this week, Tim Consult's Olivier Kahrs said that the ongoing situation of falling capacity and a recovery in prices contrasted sharply with European spot market conditions during the 'peak' corona months of April and May this year – whereby there had been a record oversupply of trucks due to the dramatic reduction in industrial output triggered by the pandemic, which also drove down prices significantly.

However, since July, as lockdowns eased, such trends have steadily reversed as business activity picked up, resulting in a substantial drop in available capacity not only year-on-year but month-on-month also, as well as an uptick in prices. The capacity drop is now at a point where it is influencing prices, which, although still below last year's levels, increased significantly last month.

Mr Kahrs noted that, with the start of the busy end-of-year period for business and industrial output increasing, there was little prospect of a change in current capacity/price trends, unless a sizeable second wave of COVID-19 infections materialises, leading to economic activity being shuttered again.



Maritime

IMO ADOPTS NEW MEASURES ON GHG REDUCTION STRATEGY



Following a delay due to the COVID-19 crisis, draft new mandatory measures to cut the carbon intensity of existing ships have finally been agreed by the International Maritime Organisation (IMO) Intersessional Working

Group on Reduction of GHG Emissions from Ships. This builds on current mandatory energy efficiency requirements to further reduce GHG emissions from shipping. The proposed amendments to the Annex VI of the MARPOL Convention would require ships to combine a technical and an operational approach to reduce their carbon intensity. This is in line with the ambition of the initial IMO GHG Strategy, which aims to reduce carbon intensity of international shipping by 40% by 2030, compared to 2008.

Source: <u>IMO</u>

Rail

MEASURES TO BE TAKEN DURING THE EU YEAR OF RAIL 2021

On 27 October, the European Commission <u>responded</u> to a <u>parliamentary question</u> concerning the measures which the European Commission was proposing to take in the European Year of Rail to ensure that the rail infrastructure is modernised in less developed Member States and that no country is left behind.

Commissioner for Transport, Ms Adina Valean, noted that the European Year of Rail 2021 will coincide with the launch of the new funding instruments for the period 2021-2027 with a proposed strong support to modernise and develop rail infrastructure. In particular, the Connecting Europe Facility (CEF) 2021-2027 will continue to finance projects in the rail sector, including a strong focus on Member States eligible to the Cohesion Fund. Modernisation of transport (rail) infrastructure will be eligible under the European Regional Development Fund (RDF) and Cohesion Fund. The volume of financing devoted to transport and rail infrastructure will depend on the programming for each Member State.

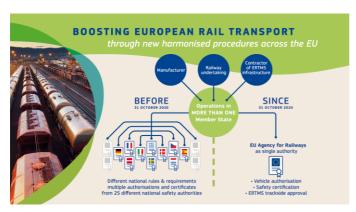
Additionally, she noted that under <u>Next Generation EU</u>, the new <u>Recovery and Resilience Facility</u> will offer additional funding possibilities. Investments in sustainable transport is among the country-specific recommendations addressed to several Member States by the Council in 2020. The Commission therefore expects Member States to submit national recovery and resilience plans, which contribute to the sustainable and digital transition of the transport sector after COVID-19. It could include infrastructure, fleet renewal or lowering track access charges to boost rail.

Under the European Year of Rail 2021, a series of events, campaigns and initiatives will take place across the EU to promote rail as a sustainable, innovative and safe mode of transport. The Commission's proposal on a European Year of Rail still needs to be adopted by the co-legislators.



BOOSTING EUROPEAN RAIL TRANSPORT: HARMONISED PROCEDURES ACROSS THE WHOLE EU

On 31 October, the deadline for Member States to transpose the technical pillar of the <u>Fourth Railway Package</u> expires, thereby granting the <u>European Union Agency for Railways</u> (ERA) the powers needed to become Europe's single certification body for rail vehicles and railway traffic operators.



Within its new role, ERA will take responsibility for vehicle authorisation, safety certification, and European Rail Traffic Management System (ERTMS) trackside approval across all Member States. This is an important change for the European rail system. In the past, train operators, manufacturers or anyone who planned to operate in or sell to clients in more than one Member State, had to apply for vehicle authorisations and safety

certificates separately in every Member State concerned. From 31 October onwards, only one application must be filed through ERA's One-Stop Shop IT tool (OSS).

The new, simplified procedure aims to reduce costs and administrative burden for the rail industry, it shall make the European rail system more transparent, more efficient and therefore more competitive vis-à-vis other modes of transport. The harmonised processes contribute to higher levels of safety, interoperability and reliability in the European rail network. The unique approach for vehicle authorisation shall also reduce time-to-market for emerging technologies.

ERA has also become the single entry point for the approval of ERTMS trackside infrastructure. ERTMS is the European signalling and train control system. It is gradually replacing different national schemes, to create a seamless European railway system.

With the transposition of the Fourth Railway Package on 31 October new harmonised procedures will be applicable across the whole of the European rail network.

Source: European Commission

EUROPEAN INTERMODAL SUMMIT 2020

On 27 October, CLECAT attended the European Intermodal Summit organised online by the International Union for Combined Road-Rail Transport (UIRR), which brought together speakers from the EU institutions and the private sector.

During the event, the speakers from the European Institutions highlighted the need to considerably increase intermodal transport in order to reduce the negative effects of road-only transport, noting that all sides would have to work together to deliver on the shared objectives and to strengthen Europe. Ms Magda Kopczynska, Director D at DG MOVE, noted in her closing remarks that the European Commission is considering a wide range of measures from investment and regulation to promotion and transparency in order to deliver on these objectives. The Commission also confirmed



that besides the revision of the Rail Freight Corridor (RFC) Regulation and the TEN-T Guidelines, it will also table its ambitious proposal to recast the Combined Transport Directive in early 2022.

The industry speakers spoke about the challenges, achievements, and solutions of the past, the present and the future, pointing to the need for European-level solutions instead of a patchwork of national regulations. They highlighted that freight transport companies are reliant on transport infrastructure with the required technical parameters and digitalisation solutions.

The video recording of the European Intermodal Summit 2020, as well as the presentations used, can be accessed on the conference website.

CONSTRUCTION BRENNER BASE TUNNEL MAY BE DELAYED AGAIN

The construction of the 64km-long Brenner Base Tunnel between Austria and Italy is in danger of being delayed again. According to reports in Austrian media, the agreement with a construction consortium for the construction of a 15-kilometer tunnel section has been cancelled by the clients. According to the report, the main cause for the contract cancellation is "loss of confidence" after contractual performance and that delivery obligations have not been met by contractors. One of the points of contention appears to have been the necessary strength of the external rings of the tunnel tube. Due to the decision, the construction of this part of the tunnel must be re-issued. The Brenner Base Tunnel was to be opened in ten years. It is unclear when the tunnel will now be ready.

Source: Railfreight

Customs and Trade

NEW EU DUTY AND TAX RELIEF MEASURES FOR PPE AND VACCINES

On 28 October, the European Commission adopted further measures in the area of taxation and customs to tackle the ongoing coronavirus pandemic. First, a Commission Decision prolongs the current temporary relief from customs duties and Value Added Tax (VAT) on the import of protective and medical equipment from non-EU countries. The Decision will prolong the exemption on imports to EU Member States until the end of April 2021.

Secondly, the Commission proposed to grant VAT relief to sales of coronavirus vaccines and testing kits to hospitals and medical practitioners. Currently, Member States can apply reduced VAT rates on sales of vaccines but cannot apply zero rates. Testing kits cannot benefit from reduced rates at the moment. Once agreed by all EU Member States, the VAT relief for vaccines and testing kits will remain in place until the World Health Organisation declares the end of the coronavirus pandemic, or until an agreement is reached on the Commission's pending proposal for new rules on VAT rates.

The Commission has also contacted all customs authorities to underline the importance of thorough quality controls on these goods, in particular on protective masks. In addition, the Commission has informed Member States of the possibility to use EU customs laboratories to share the analytical capacity.

Source and more information: European Commission



PROPOSAL FOR EU SINGLE WINDOW ENVIRONMENT FOR CUSTOMS

On 28 October, the European Commission adopted the <u>legislative proposal</u> establishing the EU Single Window Environment for Customs. The EU Single Window Environment for Customs is a future-looking digital solution for quicker and more efficient sharing of electronic data between different government authorities involved in the clearance of goods.



Once fully rolled out, the Single Window will allow businesses to complete border formalities in one single portal in a given Member State. Customs and other authorities will then be able to automatically verify that the goods in question comply with EU requirements and that the necessary formalities have been completed. The Commission's proposal is just the first step in creating the Single Window Environment for Customs. This is an ambitious project that will entail important investment at both EU and Member State level, with

gradual implementation over the next decade or so. Member States will need to invest in transforming their national legislation, processes and IT systems, so that they can fully reap the benefits of the Single Window.

CLECAT was a member of the Customs 2020 Project Group which was set up to study a possible framework to develop the EU Single Window environment for customs including its legal aspects. CLECAT is pleased with the development of this important work and looks forward to the next steps of the legislative process.

Source and more information: European Commission

EU STRENGTHENS TRADE ENFORCEMENT

On 28 October, the European Commission, the European Parliament and the Council reached a political agreement on a <u>revised enforcement regulation</u>. The aim of this regulation is to better protect the EU's trade interests and rights in the context of the current blockage of the World Trade Organization's (WTO) dispute settlement system. The regulation also ensures that the EU can enforce its trade rights if one of its partners blocks the normal dispute settlement mechanism under bilateral treaties. Member States still have to approve the agreement by qualified majority.

Given the current paralysis of the WTO Appellate Body, the existing rules needed to be updated to allow the Commission to take action in situations where dispute settlement procedures are blocked. The main focus of the proposed amendment was to cater for situations where the EU succeeds in obtaining a favourable ruling from a WTO dispute settlement panel but the process is then blocked because the other party appeals a WTO panel report 'into the void' and does not agree to interim appeal arbitration under Article 25 of the WTO Dispute Settlement Understanding.

The Commission will also have the right to take countermeasures when a trade partner under a bilateral or regional trade agreement imposes illegal trade measures and subsequently blocks the dispute settlement process under that agreement. Furthermore, the agreed revised rules extend the scope of possible countermeasures to services and harmonised areas of intellectual property rights.

Source: Council of the EU



Forthcoming Events

EVENTS AND MEETINGS

CLECAT Maritime Logistics Institute

10 November 2020, Online Meeting

CLECAT Freight Forwarders Forum

12 November 2020, Online Event

CLECAT Board/General Assembly

13 November 2020, Online Meeting

CLECAT Road Logistics Institute

17 November 2020, Online Meeting

EVENTS WITH CLECAT PARTICIPATION

Low Emissions Energy for Freight and Logistics

4 November 2020, Online Event

Global Liner Shipping Conference

4-5 November 2020, Online Event

European Environmental Ports Conference

4-5 November 2020, Rotterdam

Digital Transport Days

18 November 2020, Online Event

FIATA Region Europe Meeting

18 November 2020, Online Meeting

Competition Law in Transport

1 December 2020, Brussels

EU MEETINGS

Council of the European Union

Transport Council

8 December 2020, Brussels

Environment Council

14 December 2020, Luxembourg



European Parliament

European Parliament Transport Committee

10 November 2020, Brussels

European Parliament Plenary

11-13 November 2020, Brussels

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