

NEWSLETTER

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Table of content

GREEN LANES	P 1	TRANSPORT	P 4
EC PROPOSAL ON THE OMNIBUS REGULATION II	P 2	BREXIT BORDER TROUBLE GROWS	P 5
DUTCH LOGISTICS SECTOR WARNS FOR ECONOMIC IMPACT OF NEW COVID-19 MEASURES	P 2	NEW EC SERVICE FOR THE EU-UK AGREEMENTS	P 5
DECARBONISING ROAD FREIGHT: INDUSTRY PERSPECTIVES	Р3	EC REPORTS ON PROGRESS IN CUSTOMS RISK MANAGEMENT	P 6
CONTAINER ROLLOVERS AT MAJOR PORTS CONTINUE TO RISE	P 3	GREAT BELT BRIDGE CLOSED FOR POCKET WAGONS UNTIL 27.01	P 6

News from Brussels

CLECAT URGES MEMBER STATES TO RESPECT GREEN LANES

In view of new and tighter restrictions on freight transport, which more EU Members States are considering or already implementing, CLECAT warns for the dramatic impact these new rules and controls may have on intra-European and international supply chains.

Earlier this week, Commissioner Vălean wrote to EU Transport Ministers, reiterating the importance of the Green Lanes "to keep transport moving and to ensure the free movement of goods, thus avoiding supply chain disruptions." Whereas CLECAT appreciates this initiative, it remains highly concerned with national initiatives that could block freight transport. Therefore, the European Commission and the Member States are encouraged to take all possible action to prevent barriers to the free movement of goods. In this respect, CLECAT is alarmed by the new requirements in Germany related to testing and quarantine measures for drivers and transport workers. This may lead to a situation whereby the entrance of transport workers to its territory is blocked unless they have a negative PCR test. Notedly, the risk does not really come from truck drivers – for instance, only 0.3% of them tested positive as a result of the systematic testing of truck drivers before crossing the Channel between 22-31 December 2020, according to the European Commission.

Nicolette van der Jagt, Director General of CLECAT, noted: 'Restrictions on drivers and transport workers can disrupt the movement of any kind of supplies and especially the vaccine distribution, which needs a particularly smooth supply chain along European transport corridors. The logistics sector cannot operate with a patchwork of measures in Europe when it seeks to provide logistics solutions for transporting vaccines.'

On 19 January, the European Commission adopted a new <u>communication</u>, entitled "A united front to beat COVID-19", on the coordinated approach to a potentially harsher third wave of infections, characterised by the more transmissible new variants of COVID-19, ahead of a video conference of



the European Council on 21 January 2021. Alongside the need to speed up vaccination, ramp up testing and show international leadership, the European Commission emphasised the need to preserve the functioning of the Single Market and ensure the non-disturbed flow of goods, as well as the free movement of transport workers across the EU.

EC PROPOSAL ON THE OMNIBUS REGULATION II

On 18 January, the European Commission put forward a proposal on the additional temporary measures contained in the Omnibus Regulation 2020/698, concerning the COVID-19-related emergency renewal or prolongation of certain certificates, licences and authorisations in the area of road, rail and inland waterway transport. Due to difficulties in renewing or prolonging the documents that have expired or would expire between 1 September 2020 and 30 April 2021, the Commission proposes to extend their validity for a period of seven months from their date of expiry.

This concerns the following certificates, licences and authorisations:

- Periodic training of drivers, needed to obtain the Certificate of Professional Competence.
- Driving licence.
- Inspection of the tachograph (including measures for the driver card).
- Periodic roadworthiness test for motor vehicles and their trailers.
- Requirements for the occupation of road transport operator.
- Community licence / driver attestation for third-country drivers.
- Certification of train drivers.
- Railway safety certificate.
- Licence of railway undertaking.
- Boatmasters' certificate.

CLECAT is pleased that the concerns regarding the renewal or prolongation of these documents, communicated by CLECAT to DG MOVE in a letter sent in December 2020, have been addressed by the Commission. CLECAT now counts on the Member States and the European Parliament for the swift adoption of the proposal.

DUTCH LOGISTICS SECTOR WARNS FOR ECONOMIC IMPACT OF NEW COVID-19 MEASURES

Earlier this week, the Dutch government announced the introduction of additional measures to combat the COVID-19 crisis, including a general flight ban to and from a number of countries. Furthermore, a second COVID-19 test will also be required for travellers, including the crew of cargo planes. The air carrier KLM has indicated that it does not consider the latter acceptable in its role as employer, arguing that as a result, this could lead to KLM being forced to discontinue its long-haul flights, including all cargo flights.

Air Cargo Netherlands, Fenex, evofenedex and TLN have in a joint communication called on the Dutch government to find as soon as possible another safer solution in view of the dramatic consequences of its measures. The fast and reliable air cargo chain has proved to be indispensable for many companies with an international supply chain in recent months. In addition, the air cargo remains essential for the transport of COVID-19 vaccines and medical devices.

Source: Air Cargo Netherlands



Road

DECARBONISING ROAD FREIGHT: INDUSTRY PERSPECTIVES



A new industry report "Decarbonising Road Freight: Getting into Gear", published this week, offers a detailed roadmap aimed at addressing the economic, technical, regulatory and organisational factors influencing the road freight transport and logistics sector's ability to decarbonise in the next 10 years.

CLECAT has contributed to the development of the report with a number of insights on the key barriers to and possible solutions for road freight decarbonisation

from the perspective of freight forwarders and logistics service providers in Europe, elaborating on the ongoing industry initiatives and the existing and upcoming regulatory instruments, as mandated by the EU Green Deal, to bring the transport emissions in the supply chain down by 90% by 2050.

Some of the major highlights from the industry perspectives report include:

- To meet the goal of the Paris Agreement, absolute emissions from road freight need to decline almost 60% by 2050 versus a 2018 baseline, despite an expected doubling of road freight volume over the same period.
- 80% of study participants perceive a lack of regulatory incentives and the complexity of
 infrastructure replacement to be major barriers to decarbonisation, while 70% see limited
 demand from customers as a major barrier.
- More than 70% of study participants view hydrogen fuel cell electric vehicles and battery
 electric vehicles as the most viable long term zero-emission heavy-duty truck technology and
 many believe these trucks will become commercially viable in the next 5 to 10 years.
- Low emission fuels such as liquified natural gas (LNG), bio-LNG, compressed natural gas and biodiesel should be commercialised quickly around existing points of supply, but not where they could disrupt the deployment of zero-emission solutions.
- Immediate emission reductions can be achieved for fleets with diesel powered trucks by improving truck design, employing digital solutions to optimise fleet management and using higher quality fuels and lubricants.

The full report, conducted by Deloitte UK, can be found here.

Maritime

CONTAINER ROLLOVERS AT MAJOR PORTS CONTINUE TO RISE

More than one in three containers shipped globally in December 2020 were rolled-over at transhipment hubs, according to new research from the market analysis and data tracking firm Ocean Insights.





Its monthly analysis of container rollovers at the top 20 global ports revealed that the global average had increased to 37% last month, with some hubs seeing far higher numbers. "Of the 20 global ports, 75% saw an increase in the levels of rollover cargo in December compared to the previous month," added Josh Brazil, the Chief Operations Officer at Ocean Insights.

The major carriers had seen an overall increase in rollover values from 35% in November to 37% in December,

Ocean Insight said. For instance, CMA CGM and ONE saw more than 50% of cargo left at the departure port. Cosco, Evergreen and Hapag-Lloyd also saw their percentage of rollovers rise in December compared to November. CMA CGM's rollover rates rose from 48% to 51%, ONE's from 45% to 50% and Hapag-Lloyd's from 42% to 46%, while for Cosco, the proportion rose from 37% to 43%, and for Evergreen it rose from 37% to 44% – the largest percentage point rise among any of the major carriers. 2M alliance partners Maersk and MSC managed to stem the rise of rollover cargo month on month, both recording the same level of rollovers in December as in the previous month.

"The crisis stems in part from a lack of containers, as the pandemic has caused box repositioning problems. Today, even if a beneficial cargo owner can get an empty container for their cargo, there is no guarantee that the cargo will make it on to a ship," Ocean Insights commented.

Source: James Baker, Lloyd's Loading List, 22 January

EP POSITION ON CLEAN AND EFFICIENT MARITIME TRANSPORT

Last week, the European Parliament's Transport Committee (TRAN) discussed the amendments to the <u>draft report</u> by MEP Karima Delli (Greens/EFA), the Chair of TRAN, on the technical and operational measures for more efficient and cleaner maritime transport.

The rapporteur expressed satisfaction over the convergence of positions In the Committee regarding the need to devise effective measures to green maritime transport and to limit its emissions, and to implement an emission control area (ECA) in the Mediterranean. TRAN Members agreed with the rapporteur on the need to undertake swiftly relevant and sufficient measures to green maritime transport, especially in order to gradually ban heavy-fuel oils. In this regard, MEPs diverged on whether to rely on LNG as a transitional energy. Furthermore, they called for a legislative framework concerning non-compliant ships. They also expressed support to the possibility to include maritime transport in the ETS, with some Members stressing the need for a prior comprehensive impact assessment. Moreover, some MEPs insisted on the need for the EU not to depend on IMO action in these matters and take a leading role, whereas others called for stronger international cooperation and coordination. In addition, some Members called for financial support for zero-emission ports, including for innovation and the renewal of infrastructure.

The Commission assured TRAN Members that many of the points they raised were already addressed in the recently published EU Strategy on Sustainable and Smart Mobility. The revisions of the AFID, the RED and of the ETS are a good framework to devise relevant solutions. The Commission also confirmed that the EU's role in greening maritime transport does not exempt it from the need to cooperate with the IMO. In addition, the Commission noted that funds earmarked for innovation and greening of ports are included in the Horizon Europe programme.



The vote in TRAN Committee is to take place in February 2021, to be followed by a vote in Plenary.

Brexit

BREXIT BORDER TROUBLE GROWS

As predicted by CLECAT, the new EU-UK economic partnership is leading to growing operational problems for cross-border transport and trade. DSLV reported that up to 80% of the goods moved between the UK and mainland Europe is currently declared incorrectly or not at all and do not comply with customs and product regulations. While freight forwarders and customs agents have been continuously preparing for the consequences of Brexit over the past few years, many of their customers from the shipping industry are only now beginning to adapt their processes and deal with export and import declarations and procedures. At the same time, there is often a lack of understanding that the additional administrative workload for freight forwarders can lead to a noticeable increase in logistics costs.

The trade deal did not change the early announced need to fulfil customs requirements. CLECAT and its members have called on shippers to prepare for Brexit. There still seems to be a lack of awareness on the fact that the generous tariff- and quota-free preferential treatment for traded goods under the new deal only applies when the rules of origin and associated procedures under the agreement are respected. The flow of plant and animal products between the EU and the UK is already seriously disrupted by non-compliance with sanitary and phytosanitary (SPS) requirements and lack of or incorrectly filled health certificates. Unresolved transit procedures, under which many cross-border operations are carried out, can significantly increase the liability risk for forwarders. The current COVID-19 related restrictions and limited official capacity further complicate the situation.

As service providers, freight forwarders will continue to support their industrial and commercial customers, but such serious productivity losses cannot be easily absorbed economically. Logistics can no longer meet its service commitments under the current conditions. Trade needs to adapt their processes to the new trade and transport realities and do it quickly.

NEW EC SERVICE FOR THE EU-UK AGREEMENTS

To support the efficient and rigorous implementation and monitoring of the Agreements with the UK, the European Commission has decided to establish a new Service for the EU-UK Agreements (UKS). The UKS will be part of the presidential services' Secretariat-General and will be operational as of 1 March 2021. The mandate and duration of the newly created service will be reviewed on a continuous basis.

Michel Barnier will become Special Adviser to President von der Leyen as of 1 February 2021. He will advise the President on the implementation of the EU-UK Withdrawal Agreement and provide expertise in view of the finalisation of the EU's ratification process of the EU-UK Trade and Cooperation Agreement.



The Task Force for Relations with the United Kingdom (UKTF), which was responsible for the coordination of work on all issues relating to the UK's withdrawal from the EU and the new relationship, will cease to exist on 1 March 2021.

Source: European Commission

Customs & Trade

EC REPORTS ON PROGRESS IN CUSTOMS RISK MANAGEMENT

On 18 January, the Commission published its third report on the implementation of the EU Strategy and Action Plan on Customs Risk Management. Adopted in 2014, the strategy comprises seven key objectives, underpinned by the overall aim of reaching a high quality, multi-layered approach to risk management, which is both effective and efficient. The progress report provides an overall qualitative assessment of the implementation of the strategy, setting out the progress made on each of the seven key objectives and further highlights the most significant advances and the problems encountered. The <u>accompanying Staff Working Document</u> provides a deeper analysis.

Regardless of the significant progress that has been made so far, the Commission finds that there is a need to further strengthen procedures and obligations under the current framework. This includes: (i) making better use of existing data to enable more and better risk analysis; (ii) more effective procedures to deal with the increasing amount of goods arriving through e-commerce; (iii) clearer rules; (iv) a more stringent control response by Member States when risks have been identified at EU level and communicated to Member States; (v) more systematic cooperation with other authorities; and (vi) better monitoring systems for AEOs. At the same time, customs authorities need to provide proactive and innovative responses to address new challenges that jeopardise traditional customs risk management and control approaches.

Source: **European Commission**

Rail

GREAT BELT BRIDGE CLOSED FOR POCKET WAGONS UNTIL 27.01

The Great Belt Bridge between Denmark and Sweden has been closed for freight trains with pocket wagons with semitrailers. The reason is the occurrence of an almost-accident on 14 January, where a trailer threatened to drop off a moving train as it was not properly attached. The Danish Transport Ministry <u>reported</u> that the Danish Accident Investigation Board is investigating the matter.

In 2019, a fatal accident took place on the same bridge when parts of a semi-trailer came loose and hit a passenger train.





The bridge is closed at least until 27 January 2021, subject to a possible extension. The closure applies to all types of trailers, regardless of the connection type.

Source: Railfreight

Forthcoming Events

CLECAT MEETINGS

CLECAT Customs and Indirect Taxation Institute

25 January 2021, Online

CLECAT Maritime Logistics Institute

27 January 2021, Online

CLECAT Supply Chain Security Institute

3 February 2021, Online

CLECAT Air Logistics Institute

5 February 2021, Online

CLECAT Road Logistics Institute

9 February 2021, Online

EU MEETINGS

Council of the European Union

Transport Council

3 June 2021, Luxembourg

Environment Council

18 March 2021, Brussels 21 June 2021, Luxembourg

European Parliament

European Parliament Transport Committee

25-26 January 2021, Brussels

European Parliament Plenary

8-11 February 2021, Brussels



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