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Brussels news

CLECAT-TLF PANEL ON INNOVATION IN AIRFREIGHT, SITL PARIS



CLECAT and TLF Overseas will organise a panel session at the SITL in Paris on 20 March, dedicated to Innovation in Airfreight.

Panellists from throughout the air freight value chain will discuss innovation in areas such as screening technology, dangerous goods, digital platforms for track and trace, and data pipeline initiatives.

Foreseen speakers include representatives of Panalpina, Air France Cargo, Ericsson, as well as screening technology manufacturers and air cargo community systems. CLECAT Senior Policy Manager Aidan Flanagan will moderate the discussion.

The panel discussion will take place from 15.45 to 16.45, in Hall 6 of the Paris Nord Villepinte exhibition centre, on Tuesday 20 March. More information on the SITL can be found [here](#).

CLECAT SECURITY AND AIR INSTITUTES MEET IN BRUSSELS

On 28 February, the CLECAT Supply Chain Security and Air Logistics institutes met in Brussels. The Supply Chain Security Institute discussed the need for more provision of secure parking for road transport with representatives of IRU and the European Secure Parking Organisation, related to the ongoing study on secure parking provision for the European Commission and legislative developments

in the Mobility Package which would link driving and rest times to secure parking. Members also discussed developments in Pre-Loading Advance Cargo Information for the air mode and the ICS 2.0 project, air cargo screening technology, and the need to address gaps in cybersecurity training and awareness.

The Air Logistics Institute discussed developments in implementing e-Freight, including the e-Air Waybill, the implementation of the EU Aviation Strategy, efforts to measure and report on aviation carbon emissions as well as aircraft noise restrictions, and the IATA-FIATA Air Cargo Program.

MORE EU BUDGET FOR TRANSPORT



**More EU budget
for transport** | The best Investment
Plan for Europe!

The current Multi-annual Financial Framework (MFF) runs until the end of 2020. End of May 2018, the Commission will present proposals for the post-2020 MFF (2021-2027) and for the next

generation of thematic programmes that will receive funding, including the most relevant programme for ports, the Connecting Europe Facility (CEF II).

In order to ensure that the CEF II comes with an adequate budget envelope, CLECAT has again joined forces with more than 40 transport organisations to revitalise, extend and coordinate the Transport coalition *“More EU budget for Transport, the best investment plan for Europe!”*, launched in 2015. The “Transport coalition” is now composed of more than 40 transport organisations, authorities, cities, industries who want to create a clean, safe and well-working European transport system which is accessible to all.

As your support is key to make this overall campaign a success, we would like to ask you to **sign a petition for more targeted budget and programs for EU transport** [here](#).

Follow the campaign on [Twitter \(@MFF4transport\)](#) and via the website www.moreeubudget4transport.org.

REVISION POSTING OF WORKERS DIRECTIVE AGREED

On the 28th February 2018, a [joint statement on the revision of the Posting of Workers Directive](#) by European Parliament Co-Rapporteurs Elisabeth Morin-Chartier and Agnes Jongerius, Bulgarian Deputy Minister for Labour and Social Policy Zornitsa Roussinova and Commissioner for Employment, Social Affairs, Skills and Labour Mobility Marianne Thyssen. It noted that ‘after intensive negotiations this evening we, the negotiators on behalf of the European Parliament, the Council and Commission, are satisfied to have covered all issues during the 7th trilogue meeting. We reached a common understanding on the contours of a possible agreement on the revision of the Posting of Workers Directive. We believe that the proposed package agreement on the table is balanced. The possible agreement establishes the principle of equal pay for equal work on the same place, whilst providing more legal certainty for both workers and employers.’

The reform of the Posting of Workers Directive started in March 2016 and envisaged the accomplishment of a deeper and fairer European labour market. The [main changes](#) which are introduced through the revision are to be found in the remuneration of posted workers, rules on temporary agency workers, and long-term posting.



The Commission's key principle of equal pay for equal work follows from the commitment of the Commission's Political Guidelines announced in its 2016 Work Programme. Moreover, the agreement includes better protection for several categories of workers, reinforced transparency obligations, rules on long-term posting, as well as a link to road transport. More specifically, the Commission envisages to make the new rules on posting of workers applicable to the road transport sector subject to a *lex specialis* for road transport.

Source: [European Commission](#)

Road

GERMAN COURT CASE ON MINIMUM WAGE CONTROLS FOR INTERNATIONAL TRANSPORT

The Fiscal Court of Berlin-Brandenburg has ruled in an expedited proceeding from 7 February 2018 ([Az: 1 V 1175/17](#)) that controls in accordance with the minimum wage legislation (Mindestlohnengesetz – MiLoG) are temporarily inadmissible for international transport services stemming from other Member States of the European Union.

The case was based on a claim by a Polish transport service who objected against the execution of an audit order in accordance with the minimum wage legislation (MiLoG) by the Department of Taxation and subsequently initiated proceedings. The Polish carrier had declared transit transports through Germany, notwithstanding the fact that the declaration thereof is not subject to the reporting obligation under the MiLoG. Subsequently, the Department of Taxation issued an order for the control of employment contracts, payrolls, and further documents.

The court based its judgment on the persisting uncertainties surrounding the exact definition of 'domestic employment' ('Beschaefigung im Inland') as enshrined in § 20 MiLoG. Here, the court doubted whether § 20 MiLoG applied to the applicant, being an undertaking in the transport and logistic sector which is duly established in another Member State, or to its employees.

Moreover, the court acknowledged that in the case at hand the Department of Taxation had incorrectly ordered the audit based on a lack of auditing power since the applicant, who carried out merely transit transports, did not fall within the scope of the MiLoG.

Notwithstanding the reporting and documentation requirements in the interim proceedings at hand, the court refused to assume that the legislation is applicable to the applicant while being simultaneously aware that the judgment temporarily impedes the partial enforcement of the MiLoG provisions.

In connection to this topic, the DSLV (Deutscher Speditions- und Logistikverband e.V.) has voiced its doubts on the applicability of the EU Posting of Workers legislation on exclusively mobile activities which take place as a result of cross-border transport services. According to the DSLV, the protective function which stems from the national minimum wage legislation (MiLoG), namely protecting workers from life endangering low wage, can only be applicable for those workers who are subjected to the living expenses of the respective Member State on a regular basis. Therefore, employees who work in the road transport sector as driving personnel lack the necessary link to the Member State.



Although the final decision is pending, the judgment of the court confirms those doubts.

Source: [Finanzgericht Berlin-Brandenburg Az: 1 V 1175/17](#) (Please note: a subscription is required in order to access the judgment)

Rail

STUDY ON THE NEW SILK ROUTE

The new Silk Route Initiative brings opportunities and challenges for the European transport system. A recent [research study](#) made for the European Parliament analyses the Initiative, its impacts and prospects, as well as the EU transport system's readiness for the Initiative. It provides conclusions and recommendations to the European Parliament Committee on Transport and Tourism to address the Initiative's challenges.

NEW WAYS OF FINANCING TRANSPORT INFRASTRUCTURE PROJECTS

The European Parliament Think Tank has published a [study](#) which carries out an assessment of financing mechanisms for transport infrastructure projects in cross-border regions. The study addresses the remaining challenge of meeting the ever-growing infrastructure needs and the requirement of acquiring targeted innovative financing mechanisms.

In that regard, it analyses the possible strategic role which the European Groupings of Territorial Cohesion (EGTC) could take in the planning and implementation of cross-border investments. The cross-border regions are given a special emphasis in this paper based on their relevance for the integration of the European Union. Furthermore, the study puts an emphasis on small-scale projects whose investment lies below €1 million, which are often neglected.

The different interests and strategies which are demanded by political and technical parties make the introduction of cross-border initiatives highly complex. Thus, it is necessary to eliminate the challenges and barriers which this sector faces in order to overcome those obstacles and effectively introduce new policies which lead to an improved transport infrastructure.

The study presents an analysis of the current situation regarding the financing mechanisms and outlines sources of financial support which could be used to meet investment needs, as well as an analysis of technological challenges and trends which exist in the field of Intelligent Transport Systems. Moreover, it suggests seven policy options for the facilitation and acceleration of cross border transport infrastructure projects.

Source: [European Parliament Think Tank](#)

EUROPEAN COORDINATORS FOR THE TEN-T

On 26 February the TRAN committee invited the European Coordinators for the Trans-European Transport Network (TEN-T) for an exchange of views on the state-of-play of the implementation and development of the 9 Core Network Corridors, the European Rail Traffic Management System (ERTMS)



and the Motorways of the Sea. The presentations are published on the site of the Transport Committee: <http://www.europarl.europa.eu/committees/en/tran/home.html>

Air

AIR FREIGHT RATES DIP AFTER STRONG START TO 2018

Air freight rates are expected to have dipped in February, after a reasonably strong start to the year that saw them at their highest January level since 2015. Drewry's East-West air freight rate index rose 2% year-on-year in January, but this was 10% down on December numbers, falling \$0.30 to \$2.76 per kg.

The consultant says it expects February to record a "demand lull", as Chinese factory closures come into play: "Drewry expects prices to soften again in February," it said. January figures show that, year on year, air cargo rates seem to have held up since the headiness of 2017, to some extent. Asia-Europe westbound was 11% up on January 2017 and fell just 1% since December.

European carriers have said that transatlantic westbound was "doing well" – and year-on-year rates were up 19%, and only 4% down on December. Transpacific eastbound, which has the highest rates, fell 14% since December and are 1% down, year on year.

WorldACD said it was too early to fully understand the latest air cargo data, but "at face value, 2018 would seem to be off to a very good start". Worldwide volumes were up 8.5%, with at least one-third of the carriers reporting they had seen tonnage grow 10-50%, year on year. Europe and Latin America were both up 11%. Yields also rose, although as WorldACD noted, a devaluing US dollar "helped considerably" to put dollar yields up 16.8%. In euros, however, yields rose only 1.6%.

Source: [The Loadstar](#)

Maritime

ENFORCEMENT OF LOW-SULPHUR SHIPPING FUELS STEP CLOSER

The International Maritime Organisation (IMO) has moved a step closer to banning the carriage of high-sulphur fuels. The ban, if approved, would make it much easier to enforce the new sulphur standard for marine fuels from 2020.

Under IMO rules agreed in 2016, no ship operating after 1 January 2020 can burn fuel with a sulphur content above 0.5%, a reduction from the current permitted level of 3.5% (except in emissions control areas where stricter limits apply). However, a growing movement of shipping companies, trade associations and environmental NGOs is concerned that enforcing the 0.5% sulphur cap will be problematic, as checking what fuels are being burned on the open seas is notoriously difficult. That is why the idea of making the offence the carriage of high-sulphur fuel rather than just the burning of it has been put forward, to ease monitoring.



The proposal to ban ships from carrying fuels with more than 0.5% sulphur was recommended by the IMO's Pollution Prevention and Response (PPR) sub-committee at its latest meeting last month. It focuses on amending Annex VI of the MARPOL Convention, which means it must now be approved by IMO's Maritime Environment Protection Committee in April. If it is approved then, it would be adopted in October and come into force in March 2020.

Source: [Hellenic Shipping News](#)

Customs

DUTCH CUSTOMS IMPLEMENTS NEW AEO BENEFIT

On the first of March, Dutch Customs fully implemented the new AEO benefit of control notification in case of a declaration prior to presentation of the goods. The new AEO benefit has been legally possible since the entering into force of the Union Customs Code (UCC) on 1 May 2016. However, it is now for the first time that this important facilitation can be used in practice.

To freight forwarders, customs brokers and their customers, predictability in supply chains is of major importance. Controls by customs created always an element of uncertainty, possibly leading to delays, re-planning etc, because it is only when goods are presented to customs (when they arrive or are about to depart), that a company knows whether or not customs will check the goods. The new AEO benefit solves this issue to a large extent for companies which have proven to be compliant and trustworthy economic operators (AEOs). The benefit is mentioned in [article 24 \(3\) of the UCC Delegated Act](#) under "More favourable treatment regarding risk assessment and control". The article states:

Where an AEO lodges a temporary storage declaration or a customs declaration prior to presentation of the goods, the customs office competent to receive that temporary storage declaration or that customs declaration shall, where the consignment has been selected for customs control, notify the AEO of that fact. That notification shall take place before the presentation of the goods to customs.

Knowing in advance whether a control will take place, does not solve the risk of a possible delay caused by controls, but provides the opportunity to plan ahead for a control and thus increases efficiency for both customs and trade. Another important benefit is that article 24 makes it more interesting to submit a declaration prior to presentation, which leads to a better opportunity for customs to perform risk assessment and for trade to a better opportunity to provide the correct data, because of less time pressure and peaks in the logistical/declaration process. Member States are obliged to provide this benefit to AEOs, as the article clearly states that the customs office ***shall*** notify the AEO of a control and not just for import but also for export and transit.

Until now, to CLECAT's knowledge, only Italian and Dutch customs have been piloting the new benefit, together with various freight forwarders and customs brokers, and have adjusted their processes and IT systems accordingly. The Netherlands is now the first to fully implement the facilitation for all AEOs, without a need to request it. For many years, CLECAT and its members have been lobbying for this benefit, especially in view of the fact that many logistic service providers have not experienced many tangible benefits from their AEO status yet. Therefore, CLECAT is thankful to the Commission and the Member States which seek to facilitate trade whilst increasing their own efficiency.



According to the Commission, [simplicity, service and speed are the key drivers of the UCC](#). In the next few years all customs administrations in the EU have to adjust their IT systems and processes to be compliant with the UCC, which also means proving this facilitation to trade. Therefore, CLECAT strongly encourages Member states and the Commission to ensure that the new AEO benefit will be brought into practice as soon and as good as possible.

UCC AMENDMENT ON TRANSITIONAL MEASURES

On 2 March 2018, the European Commission proposed an [amendment to article 278 of the UCC](#), which enables customs authorities and economic operators to continue using, until 2025 at the latest, already existing systems for the completion of certain customs formalities. While most of the new or upgraded electronic systems that are necessary to apply the provisions of the UCC will be operational by 2020, some electronic systems may not be fully completed until 2025. Therefore, the proposal would ensure that, in the case of the small number of customs formalities to be managed by the electronic systems that will not be completed by 2020, already existing electronic systems or paper-based procedures can continue to be used until the new systems are ready.

A key element of the UCC is a transitional period up to 2020. The most significant changes, such as new datasets and supporting IT systems, have not been implemented yet and, according to the EU Commission, the most difficult phase of the UCC implementation is yet to come. The UCC Work Programme establishes 'dates of the deployment' of the UCC trans-European and national systems from the entry into force of the UCC until end of 2020. DG

TAXUD explained that, on the basis of the feedback received from Member States, it became clear that achieving all projects by end 2020 was not feasible. Because of this reality, the deadline in the UCC will be extended in respect of the delayed systems. The systems/processes which may be delayed until 31 December 2025 include the entry summary declaration (ICS), transit, goods taken out of the customs territory of the Union, centralised clearance, customs status of goods and guarantee for a potential or existing customs debt. The AEO benefit mentioned in the previous article, should not be delayed beyond the current dead line of December 2020.

As Member States and businesses need on average two years to plan for each electronic system, the Commission has to provide legal certainty in 2018 about the applicability of the transitional arrangements after 2020 up to 2025 (at the latest) and is therefore proposing an amendment to the UCC. CLECAT fully supports this amendment, because it provides a more realistic planning and having good systems is always better than having hastily implemented, faulty systems.

Source: [EU Commission, DG TAXUD](#)

BREXIT NEGOTIATIONS UPDATE

On 28 March, the European Commission published its draft Withdrawal Agreement between the European Union and the United Kingdom. The [draft Withdrawal Agreement](#) translates into legal terms the [Joint Report from the negotiators of the European Union and the United Kingdom Government](#) on the progress achieved during phase 1 of the negotiations, published on 8 December 2017, and proposes text for those outstanding withdrawal issues which are mentioned in, but not set out in detail, in the Joint Report. It also integrates the text on the transition period, based on the supplementary [negotiating directives](#) adopted by the Council (Article 50) on 29 January 2018.



The draft Withdrawal Agreement consists of six parts – including introductory provisions, citizens' rights, other separation issues such as goods placed on the market before the withdrawal date, the financial settlement, transitional arrangements, and institutional provisions – and, most remarkably, a protocol on Ireland / Northern Ireland. The EU negotiators stated that they have applied imagination and creativity to find a specific solution to the unique challenge that Brexit poses for the protection of the Good Friday Agreement. According to the EU, for that purpose two issues are key to avoid border checks: first, full alignment with Union law on goods, veterinary and plant health rules; second, Northern Ireland has to be covered by the Union customs code. This in order to assure that daily life around the border can continue as today.

The Commission has presented the draft Withdrawal Agreement to allow for time for consultation with the Member States and the European Parliament and, subsequently, for negotiation with the United Kingdom. Given that the Withdrawal Agreement needs to be agreed and ratified before the withdrawal of the UK, the EU considers it is important to leave sufficient time for negotiation.

In [his press statement of this week](#), Michel Barnier repeated that there are still significant differences in views on several topics, like citizens' rights and the transitional period. He strongly emphasised again that, with regard to the differences, the transitional period is not a given.

Source: [EU Commission](#)

ACTION PLAN TO MAKE EU TRADE AND SUSTAINABLE DEVELOPMENT MORE EFFECTIVE

On 27 February, Commissioner Malmström (Trade) has outlined the EU's revamped approach to trade and sustainability in its trade agreements. The Commissioner presented the feedback of the input collected and the way forward to improve [the EU Trade and Sustainable Development \(TSD\)](#) chapters to EU member states at the Foreign Affairs Council on trade. The Commission launched a debate in July 2017 on how to better implement and enforce the EU's trade and sustainability chapters in its free trade agreements. At that stage, it presented [a paper outlining several options in order to provoke discussion](#).

The Commission services' perspective, having assessed the various views of Parliament, Members states and other stakeholders, is first and foremost that the absence of consensus on a sanctions-based model makes it impossible to move to such an approach. In any case, the Commission services also assess that such an approach would not fit easily with the EU's model. Trade sanctions are typically included in trade agreements as a means to compensate parties for quantifiable economic damage resulting from a failure to comply with commitments under the agreement. In the case of a breach of TSD standards by a third country, it would mean that the EU would be "compensated" for such a breach if it could be quantified, but would not guarantee that this will result in effective, sustainable and lasting improvement of key social and environmental standards on the ground. Furthermore, there is a need, in a sanctions-based approach, to find ways to determine how a breach of social or environmental standards can be translated into economic compensation, and this narrows down the scope of the TSD chapter. Countries that use a sanction based approach have so far chosen a much narrower scope than the EU. Negotiating partners have been clear that they would not accept a broad scope combined with trade sanctions.

Nonetheless, the Commission has now identified 15 action points for which a consensus has emerged. Among those 15 points is also action regarding responsible business conduct. Various inputs, from the European Parliament, Member States and stakeholders, pointed at the role of business in pursuing



Commission efforts of ensuring sustainable trade. Starting in negotiations with [Mexico](#) and [Mercosur](#) (Argentina, Brazil Paraguay and Uruguay), new trade agreements will contain specific provisions, which further reinforce commitment of the parties to promote Corporate Social Responsibility.

Source: [EU Commission, DG Trade](#)

50TH ANNIVERSARY OF THE CUSTOMS UNION



This year the EU celebrates the 50th anniversary of the Customs Union. Despite all its faults and shortcomings, the EU Customs Union is a unique example of an area where a number of countries apply a uniform system for handling the import, export and transit of goods and implement a common set of rules. In 2016, the value of the EU trade with other countries amounted to EUR 3.5 trillion (EUR 1.71 trillion for imports and EUR 1.75 trillion for exports). This is more than the total yearly retail sales in the EU. These import - and exports amount to 313 million customs declarations, processed by public and private sector professionals 24 hours a day and 365 days a year. To see how this milestone was announced back in 1968 with the aid of a well sharpened pencil and state-of-the-art technology, please visit the following link: [announcement of the Customs Union](#)

Forthcoming events

CLECAT MEETINGS

Road Logistics Institute

24 April, Brussels

CLECAT Customs & Indirect Taxation Institute

24-25 May, Paris

CLECAT BOARD/GENERAL ASSEMBLY

29 June, Sofia, Bulgaria

OTHER EVENTS WITH CLECAT PARTICIPATION

ALICE – LEARN Event

7-8 March, Brussels

FIATA WORKING GROUP ROAD TRANSPORT

14 March, Zurich

SIDLEY AUSTIN ROUND TABLE CONFERENCE: HOW TO PREPARE FOR BREXIT?

15 March, Brussels

FIATA HEADQUARTERS SESSION 2018

15-17 March, Zurich



HIGH-LEVEL CONFERENCE ON EUROPEAN MULTIMODAL FREIGHT TRANSPORT

20 March, Sofia

AIR FREIGHT PANEL TLF/CLECAT

20 March, Paris

CORE FINAL CONFERENCE

11 April, Brussels

GLEC MEETING

15 May, Copenhagen

ALICE PLENARY

22 June, Amsterdam

TEN-T DAYS 2018

25-26-27 April 2018, Ljubljana

ITF 2018 Summit: "Transport Safety and Security"

23 - 25 May 2018, Leipzig

EP MEETINGS

European Parliament TRAN Committee

19-20 March 2018

12 April 2018

25 April 2018

14-15 May 2018

European Parliament Plenary Session

12-15 March 2018, Brussels

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