

NEWSLETTER

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Brussels news

PLENARY REVOKES TRAN VOTE ON MP 1

On Thursday this week the European Parliament at its Plenary voted on the mandates to enter into inter-institutional negotiations on the Mobility package 1. The mandates for 3 proposals on internal market and social aspects on the basis of the TRAN Committee reports were rejected. You may find more information here . As result, this package will be fully debated, with a possibility of (re)tabling amendments to the Plenary, at the European Parliament's sitting in July.

The rejection of the mandate re-opens the issues of great importance to freight forwarders and logistics services providers in Europe, including the posting rules in international transport operations, cabotage and secure parking/driving-resting times for drivers. Over the last couple of months, members of the TRAN Committee have seriously considered the proposals and have reached some fair compromises. CLECAT regrets the good results of the TRAN Committee, in particular with regards to posting of workers for international transport, will again be discussed and put to vote.

If cross border activities will become subject to the Posting of Workers Directive, it will become very burdensome for drivers, for companies as well as control authorities to apply different national labour laws with different remunerations and holiday systems, different compositions of minimum wage, different social entitlements, different collective agreements and much more. Equally, applying posting rules to international transport will not solve any of the issues that the transport market is currently challenged by.

A lot issues have been resolved with other initiatives within the package. For instance, applying the posting rules to domestic transports within the cabotage proposal would help solve the current cabotage challenges in practice. Within the driving and rest time proposal the return principle would also address the challenges by diminishing the practice of nomadic drivers and it will create a better



work/life balance for drivers. More secure parking spaces across Europe; this is a necessity for the well-being of drivers, and the institutions and industry are already working together on this in parallel with the mobility package. The application of PWD to international transport is not the right tool; other parts of the package are more suitable for a balanced approach to the different shortcomings in the market whilst respecting the free movement of goods, services and people.

LEARN SURVEY ON INDUSTRY EXPECTATIONS FOR EMISSIONS **CALCULATION & REPORTING**

As part of the LEARN project on logistics emissions accounting and reduction, CLECAT, along with IRU and ESC, is carrying out a survey of members on barriers, needs and recommendations for support, research and policy in the calculation and reporting of logistics emissions.

The survey will be instrumental in determining and prioritising the final outputs of the project and future activities relating to logistics emissions calculation after the project ends.

The survey may be found here: https://www.surveymonkey.com/r/LEARNprojectSurvey. It features 20 questions and takes 10-15 minutes to complete. Aggregated results will be published on the LEARN project website but answers will not be attributed to individual respondents. The survey is open until 31 July.

In order to ensure a representative and reliable set of responses, CLECAT member associations and their member companies are strongly encouraged to complete the survey.

Digitalisation

DTLF PLENARY AGREES ON RECOMMENDATIONS

The mandate of the Digital Transport and Logistics Forum (DTLF) ends in June 2018 and therefore on the 14th June the last plenary meeting for the current mandate was held. The DTLF has been working since 2015 to build a common vision and road map for digital transport and logistics. It was also established to help identify the need for EU level measures and to support their development and implementation where relevant.

CLECAT commends the achievements of the DTLF for identifying challenges and creating a mind-shift in accepting the importance of moving towards electronic transport environment. Since the beginning of 2017 CLECAT has increased its participation in the DTLF working group on electronic freight transport information and called for more tangible results, actions and recommendations. In its position paper on Digitalisation in Transport and Logistics of 2017, CLECAT urged the Commission to take concrete steps towards digital transport. In the second half of 2017 DG MOVE launched a new initiative aimed at actual legal and non-legal policy measures to address the needs of the logistic sector. As a result, the Commission proposed on 17 May a regulation which will enable the exchange of digital data to authorities instead of paper-based documents. The initiative is a first but very important step which is supported by CLECAT.

The legal proposal will have to go through the Parliament and the Council for adoption, after which the real work can start. The legal act is a so called "framework" legislation, which means that it will not provide much details on the actual implementation which will be agreed in a next step between



the Commission, the Member States and trade representatives. The goal for CLECAT is to be able to work in a 100% digital transport environment within the next few years, while at the same time ensuring no increase in burdens and costs, ensuring harmonised and interoperable systems of various authorities and of course to ensure that the exchange of information is safe and secure.

The Commission has noted that it is very likely that there will be a new mandate for the DTLF. In the final plenary meeting of the DTLF various discussions on the future of the forum were held. The Commission will soon issue a survey to ask stakeholders for feedback on the structure of the DTLF so far and wishes of the industry for the next term. CLECAT appreciates the DTLF as an open forum to exchange ideas on a conceptual level with a large group of experts. However, according to CLECAT, the future forum needs more experts and clear goals in order to achieve tangible results for the logistics sector. Therefore, CLECAT would support a renewed mandate with clear terms of references.

The final reports and recommendations of the DTLF will be published soon at www.dtlf.eu

Customs

ADOPTION OF EU ADVANCE CARGO INFORMATION SYSTEM

On 7th June, during the meeting of the Electronic Customs Coordination Group (ECCG) together with the Trade Contact Group (TCG), a major milestone was reached for the adoption of EU Advance Cargo Information System. Member States approved the package of ICS2 Functional & Technical Specifications including the Security plan. The budget for the program was already adopted in May, despite rumours that there would not be enough budget. Currently there are only a few legal aspects Denmark and Sweden want to see covered, but according to the Commission this should only be an issue of wording and not an issue of differences of opinions. The next step is to present the full package for the implementation decision at the Customs Policy Group meeting on 12th July 2018.

During the meeting of 7 June, the representatives from trade which are most involved and impacted, strongly expressed their support for adoption of the ICS2. Eight trade associations, including CLECAT, presented their letter of support to the ICS package and recommended Member States to adopt the package. The trade parties consider that, even though the new requirements in support of safety and security, will put heavy burdens on trade and logistics, it is a reality trade will have to deal with in the near future. The functions proposed by CLECAT and others regarding Multiple Filing, a Common Repository, the Harmonised Trader Interface and the single access and identity management system are imperative to implementing the new requirements with as little as possible disruption to trade.

For those who are interested, the full presentation of the ICS2 package in the ECCG meeting was recorded by the Commission streaming service and can we viewed through this link: ECCG & TCG 67 June 2018

Background

In August 2014 a Communication was adopted on the EU Strategy and Action Plan for customs risk management. The action plan focussed mainly on higher quality data for supply chain movements and the proper availability and communication of risk relevant information. Currently the process of provision and exchange of such information is processed by the Import Control System (ICS), which was implemented in 2009-2011. This system however, does not provide the proper means to do risk assessment as envisioned in the Security Action Plan, especially regarding air freight for post and



express, as the largest security gaps occur in these transport flows. Therefore, in 2017 the Commission started a project group together with Member States and Trade experts (including CLECAT) to redesign ICS and the processes it supports. The redesign also included the incorporation of Pre-Loading Advance Cargo Information (PLACI).

In the past year the various parties in the project group worked intensely on creating and designing business process models, common repository (central database), (data) security plan, implementation strategy and of course the common system specifications (messages, code lists, interface specifications etc). The high pressure was necessary to have the design ready and approved at least 2 years before the implementation of the first phase starts, so governments and business would have enough time for development and implementation. The current planning is to start operations for post and air express pre-loading information as of Q2 in 2021. The second release will be in Q2 of 2023 for air cargo general and full implementation of the measures on post and express. The third and last release will be in Q2 of 2024 for maritime, road and rail.

Brexit

BREXIT UPDATE

In April, the UK Parliament House of Lords started its report stage of the European Union (Withdrawal) Bill, which is a further opportunity to examine the bill and make changes. On Wednesday 18 April, Members of Parliament discussed a change (amendment 1) to keep the UK in the customs union. Those backing it were concerned that leaving the Customs Union would mean a fall in UK exports and argued it would be difficult for the UK on its own to make trade agreements with super powers. Members against the amendment responded saying that being inside the EU Customs Union puts the UK at a disadvantage and supporters of staying in it were making a political point rather than one based on trade. Members for the change said they were trying to get the best Brexit deal for the UK and its future relationship with the EU, not undo Brexit. The government said it would not accept the change, arguing that staying in the Customs Union would make the UK bound by the EU's tariffs and in a worse trade position. The change went to a vote. Members voted 348 for and 225 against, so the change was made. This was the seventh largest House of Lords vote on record.

This week, the House of Commons debated the Lords' amendments. There were 8 votes (divisions). These divisions were on amendments relating to the Customs Union, EEA, Northern Ireland and the Exit Date among other topics like EU law. Regarding the European Economic Area the House of Commons voted twice (Division178 and 179). The Lords amendments that would have made the UK's full access to the EU internal market a negotiating objective of the Government and that would have called on the Government to make continued participation in the European Economic Area (EEA) a negotiating objective, were rejected. Regarding the Customs Union, there were three votes (Division 180 relating to future UK-EU relationship, Division 181 relating to a Customs Union, Division 182 relating to a customs arrangement). Again, all of the Lords amendments were rejected, including amendments that would have made the Government outline what steps it would be taking to negotiate membership of a Customs Union. The House of Commons divided three times over the exit date from the European Union, again, rejecting the Lords amendments on all three occasions. The House of Commons voted once over the Northern Ireland, after passing an amendment relating to new border arrangements in Northern Ireland.

Source: UK Parliament



Road

EP DRAFT REPORT ON 'EUROPE ON THE MOVE' TO VOTE

On 21 June, the TRAN Committee of the European Parliament will vote on its strategic own-initiative report "Europe on the Move: an agenda for the future of mobility in the EU", led by Rapporteur István Ujhelyi (S&D).

The Committee's report addresses the key future challenges for the European transport sector, with a particular focus on the impact of digitalisation on transport services, as well as on manufacturing and people, both as workers and users. More specifically, it analyses the underlying issues and proposes the steps that have to be taken to adjust to the upcoming changes and ensure that Europe remains at the forefront of development is the area of mobility.

Of particular interest to CLECAT is Paragraph 16 of the Draft Report, which calls on the Commission "to promote green logistics and reduction of freight volumes through better use of capacity of empty or partially-loaded trucks". Freight forwarders endeavour to optimise capacity as part of their daily business, and to improve this through technological innovation. However freight volumes are determined by the market and it should not be the role of regulators to reduce them. CLECAT therefore calls on MEPs to support Amendment 126, which would ensure that the text of the Report reflects the reality of the logistics market and the state of innovation.

The <u>draft report</u>, the <u>amendments</u>, as well as further related documents can be found in the procedure file.

CMR JURISDICTION CASE

According to the CMR framework, contracting parties are allowed to include additional jurisdictions to their contract, however, they are not allowed to exclude the pre-formulated ones under Article 31 of the CMR. These include the jurisdiction of the location where the goods are accepted or delivered, as well as the location in which the defendant has his main establishment, a branch office or a regional office. This was confirmed by a judgment of the Regional Court of Aachen (Germany) concerning a case that resulted from a dispute between a Belgian transport operator and a French company. In the case, the Belgian haulier carried out transport operations for the French company on a regular basis, which included transports to Cologne. The conflict arose following post-contractual disputes regarding the period of notice. The CMR Framework contract between the companies specified that Aachen should have exclusive jurisdiction for any disputes. The Court of Aachen declared the case as inadmissible as it is not allowed to exclude possible jurisdiction under Art.31 of the CMR convention.

Rail

BRENNER SUMMIT SUPPORTING MODAL SHIFT EFFORTS

During the Brenner Summit on 12 June in Bolzano (Italy), participants from Germany, Austria and Italy signed a declaration of intent to increase the modal shift of goods onto the rail network. The



declaration contains mainly measures regarding the development of the Brenner-pass and further development of the rail infrastructure to secure a proper modal shift. The harmonisation of the railway network between Munich and Verona is addressed for example.

While there was consent on an increased modal shift, the block admission systems for HDV's remained a highly disputed topic. Günther Platter, the Governor of Tirol (Austria) did not sign the declaration as the emphasised the need for a cap on the number of HGVs which are allowed to cross the Brennerpass, as well as the need for an increase of road tolls. More specifically, he proposed a specific toll for the corridor between Munich and Verona which would include an increase of toll rates especially on German roads.

Source: Süddeutsche Zeitung

Maritime

IMO AGREES ON FURTHER DATA STANDARDISATION

During its 42nd session, the IMO's Facilitation Committee approved a completely revised and updated structure for its Compendium on Facilitation and Electronic Business. This includes a new standard IMO reference data set, that will be used as basis for automated and digital systems for the exchange of information when ships arrive and depart from ports. The data set supports the mandatory reporting formalities for ships, cargo and persons on board. Additionally, it is possible to extend it to support commercial businesses in international shipping.

In order to enable the implementation of the revised Annex to the Facilitation Convention, which requires electronic data exchange to be implemented by all FAL Convention Parties by April 2019, the Compendium is being updated in its entirety. The updated Compendium is expected to be approved during the next Facilitation Committee session in April 2019.

Source: **IMO**

Air

ACAS GOES LIVE

The US Air Cargo Advance Screening (ACAS) program went into effect on 12 June, requiring the submission of advanced air cargo information on shipments arriving in the United States from a foreign location.

Previously a voluntary process, the program requirements are now mandatory for air shipments to the United States. Air carriers or forwarders are required to submit a subset of required pre-arrival air cargo data to Customs and Border Protection (CBP) at the earliest point practicable and prior to loading the cargo onto aircraft destined to or transiting through the United States. Testing has identified that freight forwarders often have this information early in the shipment process, and are therefore able to file data when possible, ensuring minimal disruption by the risk assessment process



to the flow of goods. ACAS leverages threat information and other data to employ a risk-based approach to improve air cargo security through targeted vetting.

CBP and the Transportation Security Administration (TSA) work together to employ a layered security approach to secure inbound air cargo, including using various risk assessment methods to identify high-risk cargo and to mitigate any risks posed. When this high-risk cargo is identified, enhanced cargo screening is performed pursuant to TSA-approved or accepted security programs.

CLECAT and FIATA have been instrumental in developing ACAS and similar PLACI (Pre-Loading Advance Cargo Information) systems worldwide through close partnership with authorities and other industry bodies. The EU has been developing its own similar system, which will be rolled out as part of ICS 2.0, with CLECAT and its members consistently involved in the technical discussions to set up the system. A core element of CLECAT's message has been to ensure commonality between PLACI systems worldwide in order to facilitate legitimate shipments and a global approach to risk mitigation.

Source: CBP

EU-WIDE RULES FOR SAFETY OF DRONES

On 12 June, the European Parliament approved the draft rules that it had agreed with the Council in November 2017 on EU-wide key principles for drones and drone operators, aimed at ensuring safety, security, privacy and the protection of personal data.

Due to the increase in the use of drones, the Commission had proposed EU-wide rules for drones as part of an update to the EU civil aviation safety rules. Thereby, the safety of drones shall be improved while simultaneously boosting the market development that is currently hampered by the fragmented national rules.

Under the new rules, drones would need to be designed in a way that they can be operated without putting people at risk. Furthermore, additional features would be required from some drones, based on the specific risk they pose, e.g. collision avoidance systems or automated landing in case the operator loses contact with the drone. Moreover, the new rules also envisage the imposition of maximum altitude and distance limits, as well as certification systems.

In addition to the creation of uniform rules for drones across the EU, the changes simultaneously update the EU safety legislation for the aviation sector to maintain the EU's high level of aviation safety, while ensuring that the rules are more fit for purpose, proportionate and risk-based. Thereby, the expected increase in air traffic in the coming decades shall be effectively handled. In addition to that, as an attempt to speed up emergency response, the Commission shall develop standards for downloading data from flight recorders in real time when an aircraft is in distress.

Considering that civil drone technology could account for an estimated 10% of the EU aviation market within the next 10 years, it is important that EU-wide rules for its regulation are established. As a next step, the rules will have to be approved by the Council.

Source: European Parliament



GROWTH OF SECONDARY CARGO AIRPORTS

According to a poll organised at the airport Amsterdam Schiphol, in which a diverse group of forwarders, airlines, GSAs, handling agents, and other interest groups took part, secondary cargo airports are expected to grow faster than Europe's current main air cargo hubs over the coming years.

More than 80% of the participants stated that the currently existing infrastructure limitations would lead to the hindrance of growth at the main cargo hubs in Europe. This results in a benefit for the secondary airports. Moreover, over 70% of the participants expressed that the growth of airports with smaller natural catchment areas leads to faster growth of air cargo trucking volumes in comparison to the growth of cargo flown by air.

Good performance, a large network, and quality of customer service were among the aspects which customers valued most in the selection of their road feeding service provider. Interestingly, the price of the service and the extent of digitisation were among the least important criteria.

Source: Lloyd's Loading List

Forthcoming events

CLECAT MEETINGS

CLECAT BOARD/GENERAL ASSEMBLY

29 June, Sofia, Bulgaria

OTHER EVENTS WITH CLECAT PARTICIPATION

TLF ANNUAL EVENT

20 - 21 June, Paris

CONFERENCE ON TRANSIT FRAUD

20 June, Brussels

ALICE PLENARY

22 June, Amsterdam

FIATA WORLD CONGRESS

26-29 September, New Delhi

EP MEETINGS

European Parliament TRAN Committee

20 - 21 June 9 - 10 July



European Parliament Plenary Session

12 - 14 July, Brussels

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