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News from Brussels

FORWARDERS AND SHIPPERS CALL FOR THE UNHINDERED MOVEMENT OF GOODS OVER THE ALPS

In an open letter to the President of the European Commission, Ms Ursula von der Leyen, CLECAT and ESC, representing European freight forwarders, logistics service providers and shippers, have called on the European Commission to seek a proportionate solution for the uninterrupted movement of goods over the Alps, particularly via the heavily restricted Brenner Pass, in order to maintain healthy and sustainable supply chains and prevent the negative economic consequences for European businesses and citizens.

The letter comes in support of the long-standing concerns of shippers and forwarders over an everincreasing number of driving bans on the heavy-goods vehicles driving through the Tyrol region in Austria. The wide spectrum of measures, introduced by the Tyrolean government, have been extended even further at the beginning of this year with the introduction of the stricter night driving ban with the removal of exemptions for Euro VI trucks on the A12 Inntal Autobahn, as well as the stricter Euro class driving ban.

"We acknowledge that by introducing various traffic bans for heavy-goods vehicles the Tyrolean government is seeking to address the air quality concerns in the region. However, the impact of these measures for freight transport is that congestion during the day time has increased, leading also to more emissions," said CLECAT Director-General Nicolette van der Jagt. "When countries are only looking at emissions on their own territory, they simply neglect the cross-border nature of transport and logistics: considering the new restrictions at the Brenner Pass, emissions of certain supply chains



may increase because of the need to either seek for longer alternative routes or spend more time in congested traffic during the day," she explained.

There is some consensus amongst experts in Austria, Germany and Italy that modal shift is the only way to battle congestion and reduce emissions. However, it must be recognised that progress with the finalisation of the railway system with the construction of the Brenner Base Tunnel has been extremely slow. Moreover, there is a lack of progress in the upgrading of the access routes in both Germany and Italy.

The associations therefore argue that, as long as alternative transalpine railway solutions and/or electricity and sustainable alternative fuels, as well as the respective charging and refuelling infrastructure, are not widely accessible for heavy-goods vehicles along the Brenner, the continued assurance of road freight transport must be considered. "Simply preventing the most environmentally-friendly trucks of today, without appropriate alternatives in place, puts the free movement of goods from the South Europe to the North of Europe – and vice-versa – at risk," warned ESC Secretary General Godfried Smit.

UK POSTPONES BORDER CONTROLS ON EU IMPORTS

On 11 March, the UK Government <u>announced</u> a revised timetable for the introduction of post-Brexit controls on imports from the EU. The next two stages of phased-in controls under the GB-EU Border Operating Model, initially scheduled for April and July, are postponed with 6 months respectively. The new timetable aims to provide businesses with further time to prepare for changes at the border and minimise disruption as the economy gradually reopens.



In a statement, UK Minister Michael Gove noted that 'While recognising that many in the border industry and many businesses have been investing time and energy to be ready on time, the decision comes in response to businesses who have made a strong case that they need more time to prepare.' He continued: 'In reviewing the timeframes, the Government has given strong weight to the scale and significance of the challenges that businesses have been

facing in adjusting to the new requirements, at the same time as dealing with the impacts of the coronavirus pandemic.'

The revised timetable for the introduction of controls now looks as follows:

- Pre-notification requirements for Products of Animal Origin (POAO), certain animal byproducts (ABP), and High-Risk Food Not of Animal Origin (HRFNAO) will not be required until 1 October 2021. Export Health Certificate requirements for POAO and certain ABP will come into force on the same date.
- Customs import declarations will still be required, but the option to use the deferred declaration scheme, including submitting supplementary declarations up to six months after the goods have been imported, has been extended to 1 January 2022.
- Safety and Security Declarations for imports will not be required until 1 January 2022.
- Physical SPS checks for POAO, certain ABP, and HRFNAO will not be required until 1 January 2022. At that point they will take place at Border Control Posts.



- Physical SPS checks on high-risk plants will take place at Border Control Posts, rather than at the place of destination as now, from 1 January 2022.
- Pre-notification requirements and documentary checks, including phytosanitary certificates will be required for low-risk plants and plant products, and will be introduced from 1 January 2022.
- From March 2022, checks at Border Control Posts will take place on live animals and low risk plants and plant products.

Over the past weeks, CLECAT members have voiced serious concerns about the lack of awareness and preparedness of businesses regarding the new requirements in EU-UK trade which has caused persisting disruptions. Therefore, the extension of the timetable is welcomed by CLECAT, as it will allow more time for trade to adjust to the new processes for moving goods between the EU and Great Britain. Notwithstanding the delayed checks on EU imports, CLECAT calls for an urgent increase in engagement and preparedness of trade and further efforts to avoid a second shock at the border when new rules are introduced.

INFORMAL AGREEMENT ON CONNECTING EUROPE FACILITY 2.0

On 11 March, negotiators from the Council and the European Parliament reached a provisional agreement on the second edition of the EU's flagship programme the Connecting Europe Facility (CEF). CEF 2.0 will continue to fund key projects in the areas of transport, digital and energy. It will run from 2021 to 2027, with a significant overall budget of €33.71 billion.

CEF2.0 emphasises synergies between the transport, energy and digital sectors, to enhance the effectiveness of EU action and minimise implementation costs. It will promote cross-sectoral work in areas such as connected and automated mobility and alternative fuels.

In the field of transport, CEF2.0 will promote interconnected and multimodal networks to develop and modernise railway, road, inland waterway and maritime infrastructure, as well as safe and secure mobility. Priority will be given to further development of the trans-European transport networks (TEN-T), focusing on missing links and cross-border projects with an EU added value. €1.56 billion of the transport budget will finance major rail projects between cohesion countries.

The provisional agreement is subject to approval by the Council and has been submitted to the Council's Permanent Representatives Committee (Coreper) for endorsement. Once adopted by both the Council and the European Parliament, the CEF Regulation will enter into force the day after its publication in the EU Official Journal. It will apply retroactively from 1 January 2021.

Source: Council of the EU

ELP DEBATES THE ROLE OF ALTERNATIVE FUELS INFRASTRUCTURE



The European Logistics Platform (ELP) hosted a webinar earlier this week on the necessary requirements to support the uptake of alternative fuels and how to accelerate the deployment of the respective infrastructure across the EU.

Ismail Ertug MEP, Member of the EP TRAN Committee & Vice-President of the S&D Group, opened the webinar by

expressing the importance of the upcoming review of the Alternative Fuels Infrastructure Directive



(AFID) and its instrumental role in reaching the EU's decarbonisation objectives. In this regard he emphasised that the European Parliament considers the revisions and initiatives linked to the European Green Deal climate actions and in particular the climate target plan's 55 % net reduction target as presented under the Fit for 55 package a priority. As the rapporteur for the upcoming AFID review he stressed that AFID can be considered as the backbone of all ambitious emissions targets and he was hoping for more binding standards for the EU Member States.

Charlotte Nørlund-Matthiessen, Member of Cabinet, Commissioner Adina Vălean, speaking on the Commission's wide decarbonisation goals in transport, emphasised that by increasing the uptake of renewable and low carbon fuels the Commission also aimed to propose an ambitious revision of AFID. She referred to important initiatives in aviation and shipping and added that the Commission is assessing the need to set up an alliance to support renewable and low carbon fuels in order to support the necessary scale up and build the investment agenda.

Axel Volkery, Team Leader Clean Transport, Unit Sustainable and Intelligent Transport, DG MOVE, noted that the Commission will review the scope of the Directive in view of new emerging technologies whilst ensuring that there is sufficient infrastructure to meet demand. Mr Volkery added that the revision will specifically aim to increase the number of recharging and refuelling points to ensure the full interoperability of infrastructure and use services and to provide adequate information for consumers.

Michael Lohmeier, VP Clean Operations Solutions and Services at Deutsche Post DHL Group, stressed the importance of green energy sources and appropriate infrastructure for decarbonising road transport. Mr Lohmeier highlighted that market available solutions and user demands should drive the transition towards low and zero emissions technologies. He also stressed the importance for financial mechanisms that would support not only the larger companies, but equally smaller sub-contractors in the supply chain in the uptake of sustainable alternative fuels.

Elisabeth Fauvelle Munck af Rosenschöld, Sustainability Manager at IKEA, gave a holistic overview of the ambitions of IKEA to become climate positive throughout the whole value chain by 2030, which in operational terms means reducing transport emissions by 70%. IKEA will switch to alternative fuels and rely as much as possible on intermodal solutions and seek to integrate innovation and collaboration in its decarbonisation agenda. She further highlighted the time perspective of the transition and the need for industry to accelerate its efforts to achieve the ambitious targets, adding that big challenges also bring big opportunities.

Valérie Bouillon-Delporte, Hydrogen Ecosystem Director at Michelin noted that for Michelin the AFID is an important tool to accelerate the transition to zero emissions. Ms Bouillon-Delporte stressed the importance of ensuring connectivity of regions to ensure a towards harmonised deployment of Hydrogen Refuelling Stations across Europe. To illustrate it, she referred to the Zero Emission Valley in Auvergne Rhône Alpes Region in France (<u>The first step toward local involvement in building a hydrogen industry - Mobility ecosystems</u>). She also highlighted the role of consistency of national targets with European objectives and the importance of interoperability of the Hydrogen Refuelling Stations of all networks all over Europe.

In concluding the event, the moderator Raluca Marian, General Delegate of the IRU Brussels Office, reflected on the presentations given by the speakers, welcomed the high level of ambition expressed by both the industry and policymakers that are already exploring how to achieve the necessary targets.

Maritime

CUSTOMERS CONTINUE TO PAY RECORD RATES FOR DETERIORATING SERVICE

Importers and exporters around the world are paying record high shipping rates but receiving appalling levels of service reliability, confirms the latest <u>quarterly review</u> of the container shipping market issued on 5 March by the MDS Transmodal and the Global Shippers' Forum (GSF).

The second in-depth survey of eight key performance indicators, measuring activities in the global container shipping market, reports data for the final quarter of 2020 and correlates the rapid recovery of world trade with the behaviour of rates and service performance experienced by cargo owners.

Mike Garratt, Chairman of MDS Transmodal, commented: "Q4 2020 saw the largest ever quarterly volume of container traffic globally, while annual volumes almost reached 2019 levels despite the pandemic, carried on a fleet capacity that had hardly changed. Demand growth was at its strongest on the East-West routes linking Far East manufacturers with consumers in North America and Europe. As a mathematical consequence, Q4 utilisation hit record levels, with the apparent consequence of deteriorating service reliability, more port calls missed and rapidly rising freight rates."

Indeed, service predictability fell further during Q4 2020 and vessels missed more scheduled port calls than in the previous five years, according to the report, whit shippers paying record rates for historically poor service levels.

Source: GSF-MDS Transmodal

US CONGRESS SAYS CARRIERS ARE UNDERMINING US EXPORTS

In a <u>letter</u> addressed to the Chairman of the US Federal Maritime Commission, Mr Michael Khouri, 111 members of US Congress expressed their concerns over what they see as ocean carrier actions that are undermining US exports.

"We are writing you today to share our mounting concern over reports that certain vessel-operating common carriers are declining to ship US agricultural commodity exports from our ports," the Congressmen said. While expressing appreciation for the steps already taken by the FMC to investigate these "alarming incidents", they urged the FMC to resolve the matter and to provide "monthly updates to Congress until the matter is resolved".

They pointed out that American producers, exporters and entire economic sectors have grappled with widespread delays, bottlenecks, and increasing fees at the country's ports over the past year, arguing that these challenges are "exacerbated" by reports that the ocean carriers are delivering shipments to US ports and then "electing to leave" without refilling empty containers with American goods for export. "Such activity constricts entire supply chains and propels trade to move only in an inbound direction. These conditions are unsustainable for exporters, put significant strain on the US economy, and simply unacceptable," the letter said.

The US agricultural sector stands to be hit hard by the delays, congestion, and the reported "discriminatory practices" by the ocean carriers. With more than 20% of US agricultural production

aimed for export, reaching foreign markets is "essential to American producers and the viability of our agricultural sector at large," the Congresspersons wrote, explaining that it is cost prohibitive for producers of these agricultural commodities, particularly perishable products, to use alternative methods to fulfil overseas contracts in a dependable and affordable manner.

"Should it be found that vessel-operating common carriers are predatory or unreasonable in refusing to export these American agricultural products or imposing unreasonable fees, they must be held accountable by the commission for the harm they are causing our producers," the lawmakers said. "Should the investigation reveal any wrongdoing, we urge the commission to take appropriate enforcement actions to end such practices swiftly and decisively," they added.

As <u>reported</u> by the Lloyd's Loading List, members of the US Congress Transportation and Infrastructure Committee wrote to the FMC expressing similar concerns about disruptions in the maritime supply chain resulting from the pandemic and about many ocean carriers prioritising higher value foreign imports over US agricultural exports. They said the pandemic has "completely upended" the shipping industry, resulting in "severe backups at ports and disrupting every link in the maritime supply chain."

Road

EUROTUNNEL FREIGHT TRAFFIC DOWN BY 24% IN FEBRUARY 2021

Road freight volumes between the UK and Europe carried via the Eurotunnel Le Shuttle Freight service remained down by almost one quarter last month, as the market continues to struggle to adjust to new post-Brexit administrative rules since 1 January, as reported this week by the Lloyd's Loading List.

In February 2021, Le Shuttle Freight transported 99,787 trucks, a decrease of 24% compared to February 2020, "in a market still marked by the adjustments to new post-Brexit administrative rules, but with a trend towards normalisation", the service's operating company noted. Combined volumes for the first two months of 2021 via Le Shuttle Freight are 31% below the equivalent months last year. The company said it believed the compulsory requirement to present a negative COVID-19 test, carried out on British soil less than 72 hours previously, for trucks entering France "remains the most restrictive provision for cross-Channel logistics chains".

A survey by the British Chambers of Commerce, carried out between 18 and 31 January 2021, indicated that almost half of UK exporters are facing difficulties in adapting to the changes in the trade of goods following the ratification of the UK-EU Trade and Cooperation Agreement (TCA) on 1 January 2021. The survey received 1,000 responses, mainly from SMEs. Analysis by Lloyd's Loading List of the UK government's own figures indicate that up to one in five UK road-borne exports still not taking place, as traders continue to struggle with post-Brexit trade complications. Although government figures indicate that the numbers of GB-EU road freight vehicle movements carried on ro-ro services in February had recovered to almost 99% of their February 2020 levels, many of these vehicles are now running empty. Figures from the UK Cabinet Office also indicate that around 50% of UK outbound lorries were reportedly still running empty on short-straits cross-Channel services in January, compared with an estimated average of 30% of outbound HGVs being empty in normal times. That indicates that up to 38% of GB outbound HGVs are still running empty.

Comparing the proportion of vehicles that normal carry loads from GB to the EU, 77% of vehicles, with the current figure, of between 68% and 62% carrying loads, indicates that there could still be a drop

of up to almost 20% (19.5%) in the levels of GB-EU road-borne export volumes compared with last year – a decline of up to one in five road freight exports.

Source: Lloyd's Loading List (extract)

Customs and Trade

EU EXTENDS EXPORT AUTHORISATION FOR COVID-19 VACCINES

The Commission has extended the transparency and authorisation mechanism for COVID-19 vaccine exports until end of June, following persistent delays in some of the deliveries of vaccines to the EU. The export authorisation mechanism only applies to exports from companies with which the EU has concluded Advance Purchase Agreements (APAs), which have committed the vaccine producers to deliver to EU Member States a pre-agreed number of vaccines.

Initially put in place on 30 January 2021, and with a timeframe lasting until the 12 of March 2021, a <u>new regulation</u> extends the duration of this mechanism until the end of June 2021. The new regulation also simplifies the procedure by allowing the grouping of exports to different final recipients in the same country in one single request. It also provides clarity by identifying the customs codes for the active substances covered by the measure.

Source: European Commission

EU GUIDANCE ON MARKET SURVEILLANCE

The European Commission has issued <u>Guidance clarifying Article 4 of the new Market Surveillance</u> <u>Regulation</u>, which aims to strengthen market surveillance in the EU and help ensure that products reaching the EU market, particularly those sold online, comply with EU standards. The new guidance concerns the implementation of a key provision of the Regulation: Article 4 on the 'tasks of economic operators regarding products subject to certain Union harmonisation legislation'. Article 4 requires that for certain products placed on the EU market, there must be an economic operator in the EU who on request provides the authorities with information or takes certain actions. It should be noted that these rules will apply as from 16 July 2021.

Additionally, the Commission has adopted <u>Guidance on the implementation of the 2019 Regulation</u> on <u>Mutual Recognition</u> that offers detailed information on various aspects of the Regulation, as well as <u>Guidance on the application of Treaty provisions regarding the free movement of goods</u> that gives an overview of the relevant case law of the Court of Justice of the EU on obstacles that may affect goods and operators in the Single Market.

The documents deliver on the actions foreseen in the Commission's <u>Single Market Enforcement Action</u> <u>Plan</u> published in March 2020 and will help to strengthen the implementation of rules in the Single Market in order to support Europe's path to recovery.

Source: European Commission

Sustainable Logistics

EC REPORT ON ALTERNATIVE FUELS INFRASTRUCTURE DEPLOYMENT IN THE EU

On 8 March, the European Commission published a <u>report</u> on the application of Directive 2014/94/EU on the deployment of alternative fuels infrastructure (AFID), which presents the assessment of action taken by Member States in the implementation of the AFID and the development of markets for alternative fuels and alternative fuels infrastructure in the EU.

The study shows that the AFID has had a positive impact on the uptake of alternatively fuelled vehicles and their infrastructure. However, the shortcomings of the current policy framework are also clearly visible: as there is no detailed and binding methodology for Member States to calculate targets and adopt measures, the level of ambition in target setting and supporting policies in place varies greatly between Member States. The corresponding infrastructure targets reflect the different level of ambition, meaning that the planned deployment of infrastructure also varies greatly across the EU.

Whereas the current infrastructure deployment level is sufficient to serve the rather low number of alternatively fuelled vehicles currently on the road, a comprehensive and complete network of alternative fuels infrastructure does not exist across the EU, according to the Commission's services. It is therefore unlikely that under the current legislative framework the needed network would develop across Europe in the coming years, even if all Member States attained their targets. This is equally true for other alternative fuels infrastructure, especially for waterborne transport.

Overall, the study confirmed that sufficient alternative fuels infrastructure provides the backbone for the successful transition to low- and finally zero-emission mobility. It requires a strengthening of the current policy framework at EU level to achieve the increased climate ambition of the EU Green Deal and the corresponding policy agenda outlined in the Sustainable and Smart Mobility Strategy.

The Commission is therefore in the process of carrying out an Impact Assessment for the revision of AFID and will duly consider the findings of this report, as well as those of the ongoing evaluation of the Directive. Notedly, CLECAT submitted its response to the public consultation on the AFID review back in June 2020.

Rail



CYBERSECURITY IN RAILWAYS CONFERENCE

In light of the 2021 European Year of Rail, the European Union Agency for Cybersecurity (ENISA), and the EU Agency for Railways (ERA), have joined forces to organise a <u>virtual Conference on Rail Cybersecurity</u> on 16-17 March.

Cybersecurity is a key requirement to enable railways to deploy and exploit the full extent of a connected, digital



paradigm. Therefore, the conference will bring together experts to discuss the latest cybersecurity developments and challenges that the sector is facing. It aims to foster the dialogue among railway organisations, policymakers, industry, researchers, and standardisation and certification organisations.

If you are interested in joining the conference, please register <u>here</u>.

LAST MILE FREIGHT-TRAM PROJECT

In the region of Karlsruhe (Germany), a joint project called LogiKTram aims to transform the last mile of combined transport. In particular, the project wants to develop a logistics concept where transportation of goods from rail terminals to their final destination will take place on trams or light rail vehicles, using existing urban tram and rail infrastructure.

Putting rail freight in the centre of short and medium distance transportation constitutes the joint project's main goal, which shall be achieved by introducing the concept of 'freight trams'. Rail should not be limited to routes between seaports and freight terminals but should also expand to urban operations, thereby making last-mile deliveries emission-free. The project will attempt to create a new concept accompanied by an information and communication technology platform to encourage similar future initiatives.

Tests concerning the new concept's functionality are already taking place. Following the tests, the team will try to establish an operational line in the region that will transport products in practice. The project started on March 1 and will last for three years. It will receive a funding of 2,75 million euros from the German Ministry for Economic Affairs and Energy to complete its initial objectives.

Source: Railfreight

General

2020 GENERAL REPORT ON EU ACTIVITIES

On 3 March, the Commission published the <u>2020 edition of the EU General Report</u>, which details the EU's concerted response to the health and economic crisis, explaining the actions taken in Europe and across the world.

Additionally, the report shows how the EU delivered on its key political priorities in 2020, including progress towards making Europe the <u>first climate-neutral continent by 2050</u>. The report also takes note of the <u>EU-UK Trade and Cooperation Agreement</u> and the <u>new EU-US agenda for global change</u>. The EU also concluded in principle the negotiations for a <u>Comprehensive Agreement on</u> <u>Investment</u> with China. With the <u>European Digital Strategy</u>, the EU also announced new initiatives to make the digital transformation work for everyone while helping to achieve the EU's climate targets, and ensure that Europe maximises its full digital potential.

Source: European Commission

Forthcoming Events

CLECAT MEETINGS

CLECAT Rail Logistics Institute 16 March 2021, Online

CLECAT Sustainable Logistics Institute 17 March 2021, Online

CLECAT Board Meeting 17 March 2021, Online

CLECAT Customs and Indirect Taxation Institute 29 March 2021, Online

CLECAT Road Logistics Institute 13 April 2021, Online

CLECAT Air Logistics Institute 8 June 2021, Online

CLECAT Security Institute 8 June 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

15-16 March 2021, Brussels 14-15 April 2021, Brussels

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