CLECAT
european association for forwarding, transport, logistics and customs services

NEWSLETTER
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Brussels News

CLECAT WELCOMES INFORMAL DEAL ON EUROVIGNETTE

CLECAT welcomed earlier this week in a press release the political informal agreement on the Eurovignette Directive reached on 16 June between negotiators from the European Parliament and the Council of the EU. The deal on new road charging rules supports the transition from time-based to distance-based charging, reducing CO2 emissions.

Nicolette van der Jagt, Director General of CLECAT, said: 'The move towards distance-based charging across the core TEN-T network from 2029 for heavy-duty vehicles is a much-welcomed result for freight forwarders. The phasing-out of the vignette for heavy vehicles will standardise a system that is currently excessively fragmented among European Member States.'

She continued: 'This will also speed up the transition to zero-emissions freight. Varying truck tolls according to CO2 and air pollutants emissions has been discussed across Europe for four years, so a deal is very welcomed. It will deliver incentives and investment certainty, support the decarbonisation of road freight, and help the EU and its Member States meet their climate commitments. From 2023, emissions-free trucks will get at least 50% discounts on road tolls while fossil-fuelled trucks will be charged based on their CO2 emissions and air pollution, with more efficient heavy-goods vehicles paying less.'

With regards to the earmarking of road charging revenues, CLECAT regrets the agreement is not more ambitious. The situation remains that, as a minimum, Member States should earmark revenues generated by infrastructure and external cost charges for projects in the transport sector, in particular in support of the trans-European transport network.

The text is now being finalised by negotiating teams in technical discussions. The Council's Committee of Permanent Representatives (COREPER) will be asked to endorse the agreement by the end of June, and the European Parliament's Transport and Tourism (TRAN) Committee will vote on the file in July. The agreed text will then be formally adopted by both institutions later in the year.

CLECAT calls for a speedy adoption of the revised Eurovignette Directive. This will allow policymakers and industry to focus on the 'Fit for 55' package, which will be published by mid-July.

CLECAT JOINS EUROPEAN CLEAN TRUCKING ALLIANCE (ECTA)

European Clean Trucking Alliance

CLECAT is pleased to announce that it has been welcomed as a new member of the European Clean Trucking Alliance, a group of over 20 companies and organisations from across Europe calling for zero-emission road freight. In doing so the association of European freight forwarders and logistics service providers underlines its support for the rapid development of a uniform European legal framework for the complete decarbonisation of road freight transport by 2050.

"With its Green Deal, the European Commission has made climate policy an important guideline for its future mobility policy. The logistics industry is fully aware of its important role in ensuring CO2 reduction. Within our membership, we have seen a wave of sustainability initiatives over the last year, as freight forwarders and logistics service providers are confronted with potential new legislation, consumer pressure and market incentives to decarbonise operations. Many of the larger companies have committed to be net carbon neutral by 2050, signed up to global programmes such as the Science Based Targets Initiative, and announced significant strategic realignments and investment programmes to achieve their goals," says Nicolette van der Jagt, Director General of CLECAT. "SME's need more support to invest in decarbonisation and therefore, now, above all, the CO2 reduction potential of heavy and light trucks must be raised quickly. The technical equipment for this must be provided by the vehicle industry and the energy providers. We therefore support the joint work with other stakeholder groups, including environmental organizations, shippers and transport associations, on a strategic, legislative EU roadmap for zero-emission trucks and alternative tank and charging infrastructures. At the same time, the long-term objective should be the shift to zero-emission trucks to meet the 2030 and 2050 climate targets."

The European Clean Trucking Alliance (ECTA) brings together shippers, the logistics sector and civil society with the goal to achieve the fastest feasible decarbonisation of road freight. The Alliance believes that the upcoming work programme of the European Commission offers many significant opportunities to support the sector in this transformation to zero-emission trucks, and the members of this Alliance are fully committed to make this a successful transition.

SAVE THE DATE: ELP EVENT ON REFUEL EU AVIATION

The European Logistics Platform is organising an event entitled "ReFuel EU Aviation: a game-changing EU sustainable aviation fuel plan?" on 29 June from 15.30-17.00h.

As part of the European Green Deal adopted in December 2019, which highlights the importance of boosting development of sustainable alternative fuels, the European Commission envisages a proposal in mid-2021 to support the increased production and use of sustainable aviation fuels, so as to meet the Paris Agreement climate change goals. Some measures are in place but production and use of these fuels in Europe remain low. The ELP event on ReFuel EU Aviation will hear from experts the challenges, the potential and use-cases of sustainable aviation fuels. Policy makers and industry representatives will debate how the EU can create incentives and set the right regulatory framework to increase the uptake of SAF that will help to reduce aviation's footprint.

The event will be hosted by MEP Jan-Christoph Oetjen, Vice-Chair and Member of the European Parliament's Transport and Tourism (TRAN) Committee. Speakers include Filip Cornelis, Director Aviation at DG MOVE, who will focus on the ReFuel EU Aviation initiative. Other speakers include Karlijn Arts, Policy and Sustainability Lead, SkyNRG and Sebastian Dreyer, Head of Parliamentary & Government Relations at the German Aviation Association (BDL). A global perspective on SAF will be given by Dr. Christoph Wolff, Member of the Executive Committee of the World Economic Forum.

Registration for the event is open. You can register via the following link.

Maritime

EP ROUNDTABLE ON THE IMPACT OF MEGA-VESSELS

On 15 June, CLECAT participated in an online roundtable event hosted by MEPs Vera Tax (S&D, NL) and Jutta Paulus (Greens/EFA, DE) to debate the impact of mega-vessels on the maritime supply chain. This followed the grounding of the mega vessel '*Ever Given*' in the Suez Canal at the end of March this year, which has led to long waiting times, further port congestion and delays.

Olaf Merk, ports and shipping administrator at the International Transport Forum, in a keynote introduction said the current regulatory framework was benefiting carriers at the expense of other actors in the supply chain. 'The COVID crisis revealed a misalignment of capacity and incentives to solve the bottlenecks. Carriers have shown remarkable joint capacity management that was initially there to prevent losses but has now led to record profit. The entry into service of ever larger ships put pressure on ports that had to invest heavily through public funds in order to serve them', he said, adding that minimum port charges could be applied to recoup these costs. He considered some policy options to tackle these issues, such as regulating ships size, put an end to the special treatment of shipping in competition rules, reform State aid rules and taxation thanks to a global minimum corporation tax and introduce minimum port charges to make sure that public investment gets recovered. He also called for greater competition monitoring and a utility regulation model for container shipping.

Nicolette van der Jagt, Director General of CLECAT, noted that the situation is currently worsening, due to the closure of the port of Yantian, which could have very similar effects to the Suez blockage, if not worse. These issues are affecting the economic recovery with the lack of equipment and the collapse of service quality. She noted the incidents have clearly shown the weak points of the maritime supply chain. The corona-crisis was only the trigger for this. It has also demonstrated what can happen to prices and reliability if control remains in the hands of just a hand full of shipping lines. With this in mind, CLECAT believes that the European Commission should take its responsibility to act as a guardian of the Treaty. It should make competition rules again fit for purpose. With only 3 major alliances that operate mega vessels on the East-West trades the container market is simply not functioning well.

Lamia Kerdjoudj, Secretary General of FEPORT, regretted that decisions to build mega-vessels are made unilaterally by carriers, without consulting other stakeholders such as port terminals who need to make huge investments to receive these ships. Ms Kerdjoudj noted that the CBER has been renewed purely on a legal basis, without economic rationale justifying this exemption. She concluded by making a strong call on the European Parliament to have a look in the current disruptions faced by the actors of the maritime supply chain.

Magda Kopczynska, Director Maritime Transport in DG MOVE, recognised that the Commission is aware of the disturbances in the maritime and logistics supply chain. 'It was the Suez Canal and Covid that disrupted the smooth functioning of the maritime supply chain', she said. 'But I also believe that maritime transport has been the sector that has proved on so many occasions that it can rebound and will. The world was still in the midst of the pandemic, and shipping as a global industry would be affected by events elsewhere in the world. On the Commission side we are looking at the situation but I do not believe we should be jumping into a policy decision unravelling everything that has been working well.'

In response to these comments from DG MOVE, CLECAT wonders what the Commission thinks has been working well: limited choice, poor service quality, less direct port-to-port connections, less cost recovery in ports and now the huge rise in shipping freight costs? The question remains what will be the trigger for the Commission to start doing something?

US CONGRESS DRAFTING LAW BARRING CARRIERS FROM REFUSING US EXPORTS

FreightWaves reported on Tuesday 15 June that members of the US House Transportation & Infrastructure Committee are drafting a bipartisan legislation that would require ocean carriers to accept all US export container bookings. The legislation, to be proposed by John Garamendi and Dusty Johnson is in response to mounting complaints by US agricultural shippers that unscrupulous business practices by foreign container ship operators are causing them to lose money and market share overseas.

"We've got a problem in which the shipping industry is able to discriminate against American exporters," Garamendi said during a hearing investigating the export container shortage. "It may be because ocean carriers can make more money sending those containers back empty to the Western Pacific rather than allowing them to be here long enough to be loaded with American exports. It's a serious problem." The draft proposal, according to Garamendi, would include several provisions to amend the U.S. Shipping Act, overseen by the Federal Maritime Commission (FMC), including provisions such as prohibiting ocean carriers from declining all cargo bookings for exports.

FMC Chairman Daniel Maffei confirmed to the Committee that the Shipping Act does not currently contain provisions to mandate reciprocal trade, but that he was open to working with Garamendi and Johnson on their proposal. He said that "it would be good to have more tools at the FMC."

Earlier this month, Lorri Ann LaRocco reported that the Agriculture Transportation Coalition (AgTC) has submitted three legislative proposals to enforce the carriage of trade and excessive penalties US importers are being charged by foreign carriers. The proposals were sent to the FMC, as well as representatives on the Senate and House committees that have jurisdiction over ocean shipping. This would include an amendment to gain enforcement of FMC's Detention and Demurrage Rule. This proposed amendment, which expands on the excessive fees being charged, would require the carriers or terminals to simply confirm, when imposing a detention or demurrage charge, that it complies with the FMC's rule.

The FMC expanded its Fact Finding 29 investigation into the excessive charges being imposed on U.S. importers and the rejection of trade in November of last year. Recently, the Commission announced it is helping importers to collect back unreasonable demurrage and detention fees.

IMO ADOPTS WEAK GHG EMISSIONS REDUCTION MEASURES

The IMO adopted this week new mandatory measures to cut the carbon intensity of international shipping. The amendments to the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI will require ships to reduce their greenhouse gas emissions. The new measures will require all ships to calculate their Energy Efficiency Existing Ship Index (EEXI) following technical means to improve their energy efficiency and to establish their annual operational carbon intensity indicator (CII) and CII rating.

These measures are intended to meet the IMO carbon intensity reduction target of 11% from 2023 to 2026. However, no measures were adopted to meet the target of 40% efficiency increase in 2030.

Transport and Environment commented: 'The global shipping fleet will be required to reduce its carbon intensity by just 1.5% a year under a climate plan adopted by the UN regulator, the IMO, yesterday. The target is as weak as what would be achieved under business as usual and falls far short of the 7% annual reduction required to meet the goals of the Paris agreement.'

The EU is preparing to include shipping in its emissions trading system when it revises the bloc's carbon market on 14 July. The EU will also propose to require ships to progressively switch to alternative sustainable fuels.

Source: IMO, Shipping Watch

COUNCIL ADOPTS CONNECTING EUROPE FACILITY 2.0

On 14 June, the Council adopted in first reading the EU's Connecting Europe Facility 2.0 (CEF 2.0) programme, worth €33.71 billion, to fund the development of high-performing, sustainable infrastructure in the fields of transport, digital and energy. This second edition of the programme will run from 2021 to 2027. Today's vote by the Council will be followed by final adoption by the European Parliament.

The budgets for the transport sector will be €25.81 billion, including €11.29 billion for cohesion countries, in current prices. In the field of transport, CEF 2.0 will promote interconnected and multimodal networks in order to develop and modernise rail, road, inland waterway and maritime infrastructure, as well as ensuring 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. €1.38 billion (in 2018 prices) of the transport budget will be used to finance major rail projects between cohesion countries. CEF 2.0 will also ensure that when infrastructure is adapted to improve military mobility within the EU, it is dual-use compatible, meeting both civilian and military needs. Military mobility will have a separate allocation of €1.69 billion within the transport budget.

CEF 2.0 emphasises synergies between the transport, energy and digital sectors as a way of making EU action more effective and minimising implementation costs. It shall promote cross-sectoral work in areas such as connected and automated mobility and alternative fuels. The programme also aims to mainstream climate action, taking into account the EU's long-term decarbonisation commitments.

The legal act now needs to be adopted by the European Parliament at second reading before being published in the EU Official Journal. The Regulation will enter into force the day after its publication and apply retroactively from 1 January 2021.

Source: [Council of the EU]

Air

EP TRAN ADOPTS SINGLE EUROPEAN SKY POSITION

On 17 June, the European Parliament's Transport and Tourism (TRAN) Committee adopted its negotiating mandate on the reform of the Single European Sky rules, which proposes ways to modernise the management of European airspace in order to reduce flight delays, optimise flight routes, cut costs and CO2 emissions in the aviation sector. The position's main aspects refer to streamlining European airspace management, reaching a 10% reduction in climate-impacting emissions, as well as open up the market for air traffic navigation services.

To reduce fragmentation in European airspace management and optimise flight routes, i.e. have more direct flights, the TRAN Committee supports streamlining the European airspace management system by setting up independent national supervisory authorities (NSAs). In line with the Green Deal objectives, the Commission shall adopt the EU performance targets on capacity, cost efficiency, climate change and environmental protection for air navigation services, MEPs say. In light of increasing competition between air-traffic controllers, the TRAN Committee suggests that one or a group of Member States should choose air-traffic service providers through a competitive tender, unless it would result in cost inefficiency, operational, climate or environmental loss, or inferior working conditions.

This vote on the Single European Sky rules constitutes the update of Parliament's negotiating position adopted in 2014 and reconfirms MEPs' readiness to start inter-institutional negotiations with the Council shortly. The negotiations on the EU Aviation Safety Agency (EASA) rules are expected to start in parallel, after the result of the committee vote is announced in plenary, possibly during the next June or July session.

Source: [European Parliament]

Brexit

EU LEGISLATORS AGREE ON BREXIT SUPPORT FUND

On 17 June, EU legislators reached a political agreement on the €5 billion Brexit Adjustment Reserve (BAR), which will be used to provide assistance to countries and sectors worst affected by the negative effects of the UK's withdrawal from the EU.

The eligibility period for the BAR has been extended to cover expenditure incurred between 1 January 2020 and 31 December 2023 for measures specifically taken to mitigate the expected negative effects of Brexit. Measures that could be supported have to be specifically set up in relation to the UK's withdrawal from the EU. Those may include, among others, support to the functioning of border, customs, health and phytosanitary controls, and support to small and medium-sized businesses.

According to the provisional agreement, three factors will be used to calculate how much money each EU country will receive from the BAR: the importance of trade with the UK, the importance of fisheries in the UK exclusive economic zone and the population living in maritime regions bordering the UK. Ireland will be by far the largest beneficiary in absolute terms, followed by the Netherlands, France, Germany and Belgium.

Source: European Parliament

Forthcoming Events

CLECAT MEETINGS

CLECAT Board
22 June 2021, Online

CLECAT General Assembly
22 June 2021, Online

CLECAT Rail Logistics Institute
23 June 2021, Online

CLECAT Digitalisation Working Group
30 June 2021, Online

CLECAT Road Logistics Institute
7 July 2021, Online

CLECAT Air Logistics Institute
14 September 2021, Online

CLECAT Security Institute
14 September 2021, Online

EU MEETINGS

Council of the European Union

Transport Council
9 December 2021, Brussels

Environment Council
20 December 2021, Brussels

European Parliament

European Parliament Transport Committee
24 June 2021, Brussels
28 June 2021, Brussels

European Parliament Plenary
23-24 June 2021, Brussels

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