NEWSLETTER

european association for forwarding, transport, logistics and customs services

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News from Brussels

CLECAT WARNS FOR ESCALATION OF NATIONAL ENTRY RESTRICTIONS

CLECAT is extremely concerned about the consequences of the tightened entry regulations for transport workers in multiple European Member States, which are causing major hindrances for the transport and logistics sector on the north-south axis.

Following the most recent decision of Germany (in force since 14 February) to include the Czech Republic, Slovakia and parts of Tyrol region in Austria to the list of places considered as 'areas of variant concern', employees in the transport sector coming from these places must register their entry to Germany with immediate effect. Even if transport workers only transit through the regions that have been declared as 'areas of variant concern', they have to present a certified negative test. These new measures have caused immediate border congestion, extensive detours and, as a result, serious disruption of supply chains.

'We understand that the Member States need to respond to the dynamic development of the COVID-19 pandemic, but we must learn from the lessons of the first wave and ensure that Member States respect the Green Lanes for freight transport, rather than return to national policies of closing borders,' warns CLECAT President Willem van der Schalk.

Austria has already reacted to the restrictive German entry regulations and has limited the access to its territory and thus transit of trucks from Italy over the Brenner pass. ‘A chain reaction and escalation of national entry restrictions will have a devastating impact on supply chains,’ notes Mr van der Schalk, adding that the lack of testing facilities at the borders creates additional difficulties for truck drivers and thus the seamless movement of goods.

Despite the corona crisis, the logistics sector has been able to support the economy and the society, thanks to its flexibility to ensure the delivery of goods under difficult conditions. The European Commission has recognised the essential role of freight transport and transport workers, who should not be required to provide negative tests before entering other EU countries or be subject to quarantine upon arrival in order to keep supply chains moving. CLECAT therefore once again calls on the Member States to respect the Commission’s guidelines.

There are also good examples in Europe. For instance, Sweden has very clearly introduced the guidelines with no room for interpretation: the temporary entry restrictions do not apply to transport staff, even when traveling to or from their vehicle, aircraft or ship (to perform or after completing a transport operation). The exception also covers professional drivers whose vehicles and cargo are already in Sweden. Empty transports can be covered if they are part of the transport chain.

The logistics industry has acted consistently, with its employees largely working from home and implementing comprehensive hygiene concepts wherever people have to work together on site to maintain the supply chain. As truck drivers hardly come into contact with other people during their cross-border operations, the new entry regulations introduced over the last couple of days damage the economies at the time of crisis.

NEW STUDIES CONFIRM MOBILITY PACKAGE 1 RUNS COUNTER TO THE AMBITIONS OF THE EU GREEN DEAL

Today the European Commission has published the results of the studies it commissioned to assess the expected impacts of two specific aspects of Mobility Package I, adopted on 15 July 2020, namely the compulsory return of the vehicle to the Member State of establishment every eight weeks and the application of cabotage quotas on international combined transport operations.

The study confirms what CLECAT has been warning of throughout the three-year negotiating process: the return obligation for lorries and the quotas imposed on the road legs of combined transport operations are likely to have negative effects, not only on the environment but also on the single market. Nicolette van der Jagt, Director General, noted: 'CLECAT has been campaigning tirelessly against the new provisions introduced by the Council and European Parliament during the negotiations, as they will create more burden and business risks for freight forwarding companies and carriers. The new rules will also put the ambitious environmental objectives of the EU Green Deal at risk. We are therefore pleased that the Commission has called for an open dialogue with the co-legislators and will look for a new way forward.'

Most importantly, the Commission’s analysis of the return obligation for vehicles shows that, in the scenario most likely to occur, this provision is likely to create additional journeys, potentially resulting in up to 2.9 million tonnes of additional CO_2 emissions in 2023 (a 4.6% increase in international road freight emissions). Across the three scenarios examined, the increase in CO2 emissions ranges from 0.8% to 4.6%. At the same time, the study focusing on the cabotage quotas for international combined transport operations estimates that a widespread use by Member States of the option to introduce them could lead to an additional 397 000 tonnes of CO2 emissions and to potential negative long-term effects on rail and intermodal freight. Considering the results of both studies, these two provisions could result in up to 3.3 million additional tonnes of CO2 emissions annually, which is comparable to a year's worth of total transport emissions in Estonia.

CLECAT therefore encourages the Commission to relaunch as soon as possible a discussion with the Member States, the European Parliament and all concerned parties on how to reconcile the Mobility Package I with the goals of a well-functioning internal market and the ambitions of the Green Deal. CLECAT also supports the recent recommendation made by UIIR, encouraging the Member States to abstain from the possibility to suspend the Article 4 of the Combined Transport Directive.

The full results of the studies can be found on the DG MOVE website.

COUNCIL ADOPTS TEMPORARY RULES TO SUPPORT THE TRANSPORT SECTOR

On 15 February, the Council of the EU adopted two sets of temporary rules to support the transport sector, which continues to be heavily impacted by the COVID-19 pandemic:

- Relief from airport slot use requirements was granted to prevent running empty flights merely for the sake of keeping the slots for the next year. Under the new rules, airlines must use 50% of their slot series and return any unwanted slots at the latest three weeks before the planned flight. The Commission may extend the relief for a further two seasons by delegated act, with a margin between 30-70%. The adopted text can be found here.

- In the area of road, rail and inland waterway transport, as well as maritime security, an extension of the Omnibus Regulation (EU) 2020/698 was adopted, stipulating that the validity of certificates, licences and authorisations in certain areas of transport legislation, with expiry dates falling between 1 September 2020 and 30 June 2021, can be extended by 10 months if the Member State in which renewals are to be issued is facing restrictions due to COVID-19. The adopted text can be found here.

The legal acts will now be signed by both institutions and published in the EU Official Journal. They will enter into force the day after their publication.

ELP EVENT ON ALTERNATIVE FUELS

European Logistics Platform

The European Logistics Platform will organise a webinar on the 8th of March entitled 'A race against time: The significant role of alternative fuels infrastructure'.

In the light of the upcoming review of the Alternative Fuels Infrastructure Directive (AFID) and its instrumental role in reaching the EU's 2030 decarbonisation objectives, the members of the ELP will demonstrate what role cleaner fuels play in their business and what obstacles need to be removed in order to ensure that sufficient infrastructure is in place in line with efforts to reduce emissions in the transport sector.

The webinar will provide the opportunity to discuss with policy makers and stakeholders the necessary requirements to support the uptake of alternative fuels and how to accelerate the deployment of the respective infrastructure across the EU.

For more information, as well as to register for the webinar, please visit the ELP Website.

Road

EU-UK ROAD FREIGHT RATES BEGIN TO NORMALISE

Road freight rates on cross-Channel routes declined significantly last week on the elevated levels seen since the new, post-Brexit trading regime came into effect at the start of the year, according to the latest Brexit Market Monitor, published by Tim Consult, a subsidiary of German cloud-based logistics software provider Transporeon.

In the first five weeks of 2021, the cost of transporting a truck load of goods to the UK was much higher than the average in the third quarter, which serves as a benchmark because of the volatility in prices often seen in the final three months of the year. The elevated rates have been viewed as a consequence of lower demand due to Brexit uncertainty and reduced capacity, with a reluctance among some international hauliers to serve the post-Brexit UK market because of the risk of delays at the border due to extra customs paperwork.

“In three major corridors (to the UK) - Germany, France and Poland - the markets keep steadily returning to the normal, pre-Brexit situation of Q3. The Q4 boom in transport demand has calmed down,” commented Nikolay Pargov, Transporeon's Executive Director, Freight Procurement & Audit. “Rejection ratios (of transport orders on the Transporeon Platform), as well as the spot rates, keep dropping, but are not yet down to Q3 levels. Import volumes from Italy are weaker than in Q3. The market is normalising, with spot rates back to their past level, although the rejection ratio is still elevated,” he added.

On Germany-UK road freight routes, spot rates last week were up 8% on the Q3 average, compared to +23% for the week 5 and 4, the Monitor noted. As for France-UK routes, spot rates were still 27% above the Q3 average last week, but this compares with +40% and 42% respectively for the two previous weeks. On Italy-UK routes, spot rates last week were the same as the Q3 average compared to +17% and +26% in weeks 5 and 4 respectively. On Poland-UK routes, spot rates were 23% higher last week compared to the Q3average, up from week 5 (+19%) but in decline versus week 4 (+31%).

Source: Lloyd’s loading List

Maritime

US FMC ORDERS CARRIERS AND TERMINALS TO EXPLAIN 'EXCESSIVE' D&D CHARGES

On 17 February, the US Federal Maritime Commission (FMC) reported that Commissioner Rebecca Dye would issue information demand orders to ocean carriers and marine terminal operators (MTOs) to determine if legal obligations related to detention and demurrage practices are being met.

The orders are being issued under the authority Commissioner Dye has as the Fact Finding Officer for Fact Finding 29, "International Ocean Transportation Supply Chain Engagement". Targets of the orders will be ocean carriers operating in an alliance and calling at the Port of Los Angeles, the Port of Long Beach, or the Port of New York & New Jersey. Marine terminal operators at those ports will also be subject to information demands. The demand orders will also require carriers and MTOs to provide information on their policies and practices related to container returns and container availability for exporters.

Failure of carriers and MTOs to operate in a way consistent with the Interpretive Rule on Detention and Demurrage that became effective on May 18, 2020, might constitute a violation of 46 USC 41102(c) which prohibits unjust and unreasonable practices and regulations related to, or connected with, receiving, handling, storing, or delivering property. Information received may be used as a basis for hearings, Commission enforcement action or further rulemaking, the FMC specified.

Source: US FMC

CONTAINER BOOM COULD CONTINUE INTO THIRD QUARTER

Shipping Watch reported today that Hapag-Lloyd CEO Rolf Habben Jansen now believes that the red-hot container market could stretch all the way into the third quarter. At first, Hapag-Lloyd CEO Rolf Habben Jansen expected that the unprecedented boom in the container sector could last until the Chinese New Year in mid-February. But as rates continued to climb, and problems related to getting containers to their destination accumulated, he said in late 2020 that the historic rally could perhaps continue into the second quarter 2020. And now the German container line's chief executive believes that the red-hot container market could stretch into the third quarter – that is, into or after the summer in the northern hemisphere. His projection was made at a press conference, which the company hosted Thursday evening, and as such, one of the sector's biggest players seemingly postpones the normalization of the market for which customers and freight forwarders have been clamoring for months. "It will hopefully be in the second quarter, or perhaps the beginning of the third quarter," said the CEO.

Right now it is difficult to spot a quick solution to the logistical challenges, which major US port Long Beach in particular has been experiencing in recent months, with around 30 ships having been lined up and waiting to berth. But this is not just a problem for the US-based customers, as Habben Jansen explained. The 1-2 weeks that are added to a ship's normal turnaround time are impossible to regain on, for instance, a voyage to Shanghai, which usually takes 12 days. And all ships in the global container fleet are deployed, with only around 2 percent ships currently being idle -- a number that corresponds to the ships in yards. "Hopefully, the Chinese New Year can give some relief, but 125 hours is quite tough to get back on time, and it is not likely it will be solved soon," said Habben Jansen.

Operating profits for Hapag Lloyd are around USD 3 billion for 2020. Earlier this week Hapag Lloyd noted that it expects a "significantly higher" operating profit for 2021 compared with previous years, said the company in an update. In addition to a shortage of ships, a significant problem has been a shortage of containers throughout the sector. As such, Hapag-Lloyd will make changes to the number of leased and purchased containers in an effort to avoid ending up in a situation where there are quite simply no more containers to lease.

A similar statement recently came from Maersk in relation to its annual report, as the shipping company said that it will bet more on owning its containers rather than leasing them. Maersk delivered an operating profit of USD 8.3 billion for 2020, showed the annual report.

Customs and Trade

UCC WORK PROGRAMME PROGRESS REPORT 2020

The European Commission has published a report on the progress achieved in the development of the electronic systems under the UCC since its entry into force on 1 May 2016. The report is accompanied by a Commission Staff Working Document that provides more details of the planning and status of each IT project.

The Commission concludes that tangible progress is being made in ensuring the full deployment of the electronic systems by the relevant deadlines. A sizable number of electronic systems have already been deployed and are now fully operational. Remaining projects are mostly on track and planned to be completed in the period 2021-2025 in line with the planning of the projects defined in the UCC Work Programme. Challenges and risks have been reported by the Member States mainly in the area of the national projects on the customs formalities related to the entry of goods. The situation with the upgrade of the national import systems shows good progress following the mitigating measures taken and all Member States are on track to meet the deployment deadline of 2022.

Additionally, the risk identified in last year’s report over the data harmonisation process has now been addressed by amendments proposed to Annex B of the UCC Delegated and Implementing Acts to be published soon.

Source: European Commission

NEW STRATEGY FOR EU TRADE POLICY

On 18 February, the European Commission published official Communication on its trade strategy for the coming years. Reflecting the concept of open strategic autonomy, the Commission builds on the EU’s openness to contribute to the economic recovery through putting sustainability at the heart of its new trade strategy and supporting digital transformations.

The strategy prioritises a major reform of the World Trade Organization, including global commitments on trade and climate, new rules for digital trade, reinforced rules to tackle competitive distortions, and restoring its system for binding dispute settlement. The Annex to the Communication sets out the EU's views on the priorities for WTO reform. The Commission also argues that by reinforcing EU's alliances, such as the transatlantic partnership, together with a stronger focus on neighbouring countries and Africa, the EU will be better able to shape global change.

The EU will adopt a tougher, more assertive approach towards implementation and enforcement of its trade agreements, fighting unfair trade and addressing sustainability concerns. The EU is stepping up its efforts to ensure that its agreements deliver the negotiated benefits for its workers, farmers and citizens.

Source and more information: European Commission

STRONGER EU TRADE ENFORCEMENT RULES

On 13 February, new trade enforcement rules entered into force with the update of the EU's Trade Enforcement Regulation, further strengthening the EU's toolbox in defending its interests. The EU will rely on a suite of instruments to enforce its partners' commitments in multilateral, regional and bilateral trade agreements.

The new rules empower the EU to act to protect its trade interests in the World Trade Organization (WTO) and under bilateral agreements when a trade dispute is blocked. Previously, dispute was required to go all the way through the WTO procedures, including the appeal stage, before the Union can react. The lack of a functioning WTO Appellate Body allows WTO Members to avoid their obligations and escape a binding ruling by simply appealing a panel report. The revised Regulation enables the EU to react even if the WTO has not delivered a final ruling.

The new rules upgrade the EU's enforcement by expanding the scope of the regulation and of possible trade policy countermeasures to services and certain trade-related aspects of intellectual property rights (IPR) (the regulation previously only permitted countermeasures in goods).

Source: European Commission

Air

ICAO LAUNCHES E-LIBRARY

The International Civil Aviation Organisation (ICAO) recently launched the ICAO eLibrary - an online digital publications repository that features Standards and Recommended Practices (SARPs) for International Civil Aviation, Conventions and Related Acts. The ICAO eLibrary provides public access to ICAO's regulations and legal documents in a read-only format, free of charge. You can access the eLibrary here.

EC URGES MEMBER STATES TO COMPLY WITH DATA RULES REGARDING THE SINGLE EUROPEAN SKY

On 18 February, the European Commission sent an additional letter of formal notice to Bulgaria, Cyprus, France, Greece, Lithuania, Malta, Portugal and Slovakia for failing to provide and operate data link services for all operators of aircraft flying within airspace under their responsibility, and which are capable of data link communications. This follows letters of formal notice sent on 15 May 2020.

Each Member State is required by Commission Implementing Regulation (EU) 29/2009, in conjunction with Article 4(3) TEU, to take the measures necessary to ensure that the air traffic services providers have the capability to provide and operate these services. Data link services are communications between aircraft and the ground that are conveyed through data links, complementing the voice communications used traditionally within air traffic control.

The deployment of this interoperable technology in Europe is essential to improving the efficiency of communications between pilots and controllers, thereby increasing air traffic control capacity. The deadline for providers of air traffic services to provide and operate data link services expired on 5 February 2018. A lack of equipment in certain control centres is effectively preventing aircraft operators from using data link services – that is why operators were required to equip themselves as of 5 February 2020. The Member States concerned now have one month to address the Commission's concerns. Otherwise, the Commission may decide to send a reasoned opinion.

Source: European Commission

Rail

COMBINED TRANSPORT GROWTH IN 2020

According to the International Union for Road-Rail Combined Transport (UIRR), European Combined Transport volumes showed a near 10% rebound during the Q4 2020 compared to the same period of 2019. Based on this, the intermodal transport performance for the whole year of 2020 is projected to be less than half of the decline in the GDP of the European Union. Moreover, fewer than usual passenger trains on the network meant that freight train punctuality was substantially up, while the mild weather meant that the usual winter weather-related delays were also absent. New customers were easier to convince to try intermodal transport being backed up by the favourable punctuality and reliability performance.

Source: UIRR

XBORDER PROJECT WORKSHOP

Rail freight transport bears the potential of acting as the future backbone of the European transport system. To achieve that, a fluent transport throughout Europe will be needed, which is currently still an issue. Crossing borders is still hindered by a lot of legal and operational problems. For example, load regulations are not aligned between countries and train drivers require a B1 language proficiency level. Overall, a train driver requires a multitude of licences to cross Europe.

To address some of these issues, the Xborder project was created, which focusses on language issues and cross-border operations. The experts therein developed a handbook for ideal cross-border operations from a railway undertaking's perspective. On 23 February, a workshop will be organised to present their findings. More information, as well as the registration form, is available here.

LITHUANIA CALLED TO IMPLEMENT PRIORITY RULES

On 18 February, the European Commission sent a letter of formal notice to Lithuania regarding the incorrect transposition and implementation of the articles of Directive 2012/34/EU establishing a single European railway area on priority rules in cases of congestion.

Priority rules are the rules enabling the Infrastructure Manager to attribute train paths when the infrastructure is congested. The contested priority rules have been found to go beyond what is allowed under the Directive and to be discriminatory in that they favour the incumbent railway undertaking. Lithuania has now two months to reply to the concerns raised by the Commission, otherwise the Commission may decide to send a reasoned opinion.

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 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
24-25 February 2021, Brussels

European Parliament Plenary
8-11 March 2021, Brussels

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