

## *European freight forwarders' priorities for the EU institutions: 2019-2024*

CLECAT is the leading voice of freight forwarding, logistics and customs at the EU level in Brussels. We represent and are supported by 25 member organisations working to promote a sound approach to transport and logistics across Europe, in support of the competitiveness of our industry.

Logistics and trade are vital for the EU economy and important generators of growth and employment, but equally face some important challenges. These are twofold: not only to avoid limiting freedom of movement within the EU but equally to create the necessary conditions to continue to boost EU growth, trade with third countries and employment.

In this paper, we outline the views and concerns of European freight forwarders, logistics and customs sector on matters which will be debated by policy makers in the EU institutions during the next mandate. In the annex we deal with more detailed priorities per mode of transport.

### ***Fostering a Single European Market for transport***

The Single Market is one of the major achievements of the European Union. Thanks to the Single Market, business in Europe enjoy significant cross-border benefits. However, there are remaining gaps and barriers to the Single Market in transport, be they technical, administrative or regulatory.

Liberalisation has been uneven across countries and sectors, even with some reversing trends. This is not only due to varied implementation of existing and new legislation, but also due to a patchwork of new national legislation, creating barriers instead of removing them. There are remaining issues associated with the implementation of new legislation in the Member States, which has led to a situation where markets are not sufficiently open. As an example, CLECAT believes that proper social conditions must be met and respected, but these should neither justify nor result in restrictions of the free movement of goods within the Single Market. Overall, CLECAT remains of the view that gains can only be achieved from a fully integrated transport sector.

### ***Supporting a shift towards multi-modality***

CLECAT supports the shift towards more sustainable modes of transport both for long-distance freight transport and at local level. At the same time, each mode of transport has its own strengths and should contribute meaningfully to an efficient transport system. The reality is that different modes are complementary to each other and can in combination offer more efficient transport solutions.

The lesson learnt from previous policies is that a forced modal shift will not be effective. It is instead through improved quality of services that users will shift towards other modes of transport. As such, CLECAT calls on actors involved in the rail freight transport system to better align their service quality with client needs by improving punctuality, reliability, client communication, as well as increasing dynamic innovation. Service quality sits alongside price-competitiveness as an important element in the choice of transport mode.

Furthermore, CLECAT supports a holistic approach on the topic of internalisation of external costs (for all modes of transport) and not limit it to a 'polluter pays' principle only. Price signals should be combined with other actions like technological innovation or incentives for fleet renewal. The EU can ensure an efficient reduction of externalities in the transport sector by making the policy choices that encourage transport users to adopt a 'virtuous' behaviour, rather than limiting itself to placing discouraging price signals to certain services. As such, CLECAT maintains the view that all transport users must pay for their fair share, while commercial users should not be discriminated against.

### *Promoting a fully digital environment*

Digitalisation in transport and logistics is an important driver for efficiency, simplification, lower costs and a better use of resources and existing infrastructure. Digitalisation also creates new opportunities for business and has the potential to change the way cargo and traffic flows can be organised and managed in the future. Freight forwarders, logistics service providers and customs brokers make extensive use of IT systems and play a crucial role in global supply chains and the exchange of information within those supply chains.

In transport and logistics, many processes are already digitalised or even automated. Companies are perfectly able to use modern technologies, especially in a business-to-business environment. For these businesses to grow and to be able to innovate, CLECAT believes that the EU should not single out one specific solution, service or system, but create and encourage an environment where businesses themselves can create new ways to co-operate and innovate. Remaining technologically neutral is also important to ensure that new systems and solutions are not rapidly outdated.

While going towards a fully digital environment, CLECAT finds it important that the EU looks beyond the current paper-based procedures in order to improve efficiency. The initiatives should not be about replacing paper documents with electronic equivalents, but about how to exchange data in a future-proof manner. Nonetheless, if there are already systems, (global) standards or processes in place that work, attempts should not be made to replace them. CLECAT also finds it important that while authorities are moving towards digital and automated procedures, the benefits for trade are not lost and that the initiatives lead to tangible, measurable efficiency benefits and cost reductions.

In the next few years, the logistics industry will face many major IT changes and implementations. CLECAT has welcomed the European Commission's proposal on the Electronic Freight Transport Information (eFTI), as it truly sets an important basis for a digital transport and logistics environment. Overall, CLECAT considers it important to have well functioning, secure and well implemented IT systems. However, both the public and the private sectors need sufficient time and resources, and the implementation of hastily deployed systems should be avoided. SMEs in particular need to have a fair chance to implement changes required by authorities, while at the same time remaining able to improve their own services.

## ***Calling for more investment in infrastructure***

The Trans-European Transport Network (TEN-T) is a key tool for transport and logistics in the EU. It needs to be completed to ensure fast and reliable transport of products from all regions of Europe to the world and vice versa. This is of particular importance for the EU, if its status as the world's most globally connected region is to be retained.

The EU is the world's largest exporter and biggest trader of goods. However, it is estimated that in the next 10 to 15 years, 90% of the world's growth will come from outside of the EU. The EU therefore has an interest in making sure that companies remain competitive and have access to new markets. As such, forwarders and logistics service providers, operating international supply chains, call for enhanced connectivity with third countries.

Moreover, investing in the TEN-T projects has a particularly high European dimension, as the removal of bottlenecks, cross-border projects and the harmonisation of technical requirements are unlikely to be financed at national level alone. Overall, investing in transport infrastructure can bring significant economic gains. The IMF estimates that investing 1% of GDP in transport infrastructure can lead up to 2.6% increase in GDP over four years.

## ***Encouraging environmental sustainability***

CLECAT acknowledges that the logistics and transport sector is facing important challenges in terms of environmental sustainability and that they need to be addressed urgently. Over the last couple of years, it became clear that the environmental sustainability of different modes of transport is a crucial issue that cuts across most of the policy areas. The ambitious decarbonisation targets, contained in the European Commission's strategic long-term vision for a climate-neutral economy by 2050 and the 2015 Paris Climate Agreement, can only be met if all transport modes implement sustainable projects and continue investing in green innovative solutions, enabling a progression towards low-carbon and low-energy transport systems. On the freight side, there is a particular need to invest in more sustainable fuels, as well as smart logistics chains. It is also important to allow for greater efficiencies through increased connectivity between modes.

CLECAT also believes that there is a clear need for supportive policy to help business improve and accelerate logistics emissions accounting, reporting and verification. CLECAT encourages the uptake of carbon footprinting and reduction efforts, as this would make logistics supply chains more sustainable and cost-efficient. At the same time, CLECAT remains convinced that carbon accounting and reduction should remain a voluntary initiative led by the industry.

## ***Contributing to low-emission urban transport***

The forwarding and logistics sector will continue to contribute to the reduction of air pollutant emissions through continuous refinement of urban logistics efficiency, the use of intelligent transport systems (e.g. dynamic traffic information, C-ITS, traffic light synchronisation) and the increased uptake of vehicle innovations as they become available.

Green freight programmes – which are voluntary – bring substantial benefits in encouraging efficient logistics practices and innovative ideas to reduce the environmental impact of urban logistics. This is done by rewarding companies which make necessary investments in clean, efficient technologies and

processes. Any regulatory initiatives to manage urban logistics emissions should therefore take account of efforts being undertaken by logistics operators through existing green freight programmes.

Overall, individual initiatives aiming to improve the environmental impact of urban logistics should form part of local, regional, national and European strategic approaches, taking particular care not to impede the flow of goods into urban areas. European but also regional coordination, based on structured dialogue and best-practice sharing, is vital to ensure that progress made in the transport sector regarding the environment is comparable between EU countries and between the different means of transport.

Nevertheless, a single European solution may not actually fit the individual reality of urban areas of Member States because of the particular characteristics of cities throughout Europe. The proliferation of national/regional plaques, or vignettes, required to be displayed on vehicles in order to transmit the same information but in different areas of Europe, is of concern to the logistics sector.

A patchwork of local and regional initiatives can lead to contradictory measures, distorting competition and diminishing their overall environmental impact. Therefore, before drafting new legislation, consultations and impact assessments should be conducted to understand the challenges and possible solutions. Also, operators must be given sufficient time and information to adapt to incoming regulations.

### *Advancing trade and customs legislation*

The trade and customs landscape as we know it has been changing drastically in recent decades. For many years, initiatives have been taken to break down trade barriers, reducing duties and simplifying border procedures. Today, we witness trends reversing this due to trade conflicts, Brexit, tax evasion, immigration, terrorism etc. Finding the balance between protecting society and facilitating compliant trade has become increasingly difficult.

Freight forwarders, logistics service providers and customs agents represent a sector which seeks to ensure this balance by ensuring compliance with regard to taxes and duties and safety and security. With this trade is facilitated and goods that are produced, bought, sold and consumed by compliant and honest companies can move freely and in a cost-effective manner.

The EU should aim for the best performing and advanced customs and trade legislation, IT systems and procedures in the world. For years, a number of EU Member States has been performing very well on the World Bank Logistic Performance Index for the KPI on customs. This excellent performance and the overall principles of free trade on which the EU is built should not be abandoned. Matters like tax fraud or terrorism are of course serious issues which need to be addressed, but it is exactly because of this structural and future-proof measures need to be taken. CLECAT also considers that these measures should address the actual threats and not just result in additional burdens to legitimate trade. Modern technology and principles provide the tools to maintain the right balance between trade compliance and trade facilitation. The EU and its Member States should use those tools as well as possible.

### *Preparing for an orderly Brexit*

Following the decision of the UK to leave the EU, the UK will no longer be part of the Single Market and the Customs Union. Trade between the UK and the EU27 Member States will become more complicated to those buying and selling goods. Freight forwarders and customs agents provide services to buyers and sellers of goods to ensure frictionless border crossing, while ensuring compliance with rules, such as on duties and taxes.

Considering the ongoing political uncertainty in the UK, companies have to be prepared for all possible outcomes. As such, the logistics sector - including freight forwarders and customs agents - is continuing to prepare for a situation whereby the UK will leave the EU without a transition period. The challenges that remain relate to the investment in new staff and the preparedness of importers, exporters and other stakeholders in the logistic chain, with limited experience in trading with third countries.

The contingency measures proposed by the European Commission and Member States to alleviate some of the negative consequences of a no-deal Brexit are very welcome. However, to mitigate the impact of a no-deal Brexit or any other outcome, most preparations need to be made by the private sector itself, leading to heavy burdens and serious pressure on capacity in various ways. Despite the preparedness of the logistics service providers, CLECAT continues to believe that a no-deal Brexit should be prevented at all cost. Regardless of any preparatory efforts, such a situation will almost certainly lead to disruption, delays and extra costs in trade, and it will thus surely damage the economies of both the UK and EU.

Regarding the future relationship, CLECAT believes that innovative, non-existing concepts can be worth exploring, but this will require time. With sufficient time, flexibility and proper communication, freight forwarders, logistics service providers and customs brokers will be able to ensure almost frictionless trade using already existing technological means and legal simplifications, as is currently the case with all other trade outside the EU.

### *Ensuring security of logistics supply chains*

Securing transport of cargo, like every horizontal policy topic, should be subject to a holistic approach with clear roles for policy makers (in particular those in charge of transport security, customs and intelligence services) and a constant dialogue with industry. CLECAT is therefore supportive of ongoing work of platforms such as the Stakeholder Advisory Groups on air, land and maritime security.

Cybercrime logistics is not only about transporting goods but also about transmitting data to all the actors of the supply chain such as shippers, carriers, consignees, other freight forwarders and authorities. For CLECAT, data security has therefore become a crucial issue, one that is too often neglected when thinking about the advantages of cyber technology (Internet, cloud computing, smart phones, RFID tags, etc.). CLECAT would thus advocate for clear and robust European, or better international, guidelines on how to store data and prevent the abuse of data taking into account the business and regulatory requirements. Standards that can support the authentication and verification of data coming from one source would alleviate the breakthrough of the technology at least in the logistics sector and enable stronger protection against criminal activities.

Furthermore, cyber (data) security is becoming increasingly important because of the nature of the threats. CLECAT believes that it remains important to take this aspect into account, but initiatives to address this have been, or are being launched, in other parts of the European Commission.

EU borders allow for the free movement of goods, services, capital and labour. However, it also enables the freer operation of organised crime, which has already previously been extremely flexible. Stronger cooperation between police forces and judicial systems is needed to confront these trends.

Trusted trader partnerships like the AEO and Regulated Agent are well introduced in Europe. CLECAT is of the strong opinion that operators who voluntarily comply with certain requirements which are security related and which have been vetted should also benefit from certain facilitations. In case of an incident, the AEOs as well as Regulated Agents, should be the ones that are allowed to move their goods shortly after an incident, and sooner than non-AEO companies.

## Annex

### Road transport

- Over many years, EU transport policy was seeking to **liberalise the road transport sector**. Whereas previously the Commission was pursuing the elimination of remaining restrictions on cabotage, the Juncker Commission policy moved away from this policy. It has sought to harmonise the services and to restrict competition by proposing, for example, the implementation of posting of workers regulation to the road transport sector, as well as further restrictions with regards to driving and resting times. Implementing the **posting of workers rules in the international road transport, as proposed in the 1<sup>st</sup> Mobility Package, will jeopardise the Single Market**. It will be an unenforceable and disproportionate measure that will not solve any of the issues which currently challenge the road transport market (e.g. letterbox companies, lack of enforcement or nomadic driving). On the contrary, the application of such rules will likely cause a growth in self-employed drivers with no social protection.
- CLECAT regrets the proliferation of national measures and regulation, which restrict competition and create additional administrative burdens. We also recall that there are pending infringements procedures against the Mindestlohngesetz and the Loi Macron which should be moved forward as they restrict in a disproportionate manner the freedom to provide services and the free movement of goods and add significant uncertainty, administrative and financial burdens to operators and the forwarders/logistics service providers.
- CLECAT continues to support initiatives by the Commission to **harmonise, ease and enhance the enforcement policies**, with the purpose to have transport operators treated on an equal footing throughout Europe.
- There are currently limits to the possibility of conducting cabotage operations in seven days. Moreover, the rules have not been implemented homogeneously. The Commission has been seeking to simplify the rules and to ease enforcement but so far the co-legislators have failed to make substantial progress. As such, industry will have to continue to deal with different rules for the partial loading of cabotage operations (multidrops), enforcement, monitoring and sanction regimes for cabotage.
- The **digitalisation of transport documents**, such as the electronic consignment note (eCMR), could be used to reduce administrative burden and, when ratified by a large number of Member States, could support enforcement.
- **The lack of secure parking** is one of the most important and pressing issues regarding cargo crime today. A growing number of trucks are being attacked on insecure parking areas and roads all over Europe. Criminals are often very well informed about the route and even the content of trucks, made possible for example by insider knowledge. Secure truck parking is therefore an important way to counter the increase in this specific crime activity. However, a recent Commission study has indicated that there is a net shortfall of around 100,000 in the number of designated heavy duty vehicle (HDV) parking spaces in the EU, even before the security levels are taken into consideration.

CLECAT supports the **proposal to address the lack of secure parking through the new TEN-T guidelines**. Secure parking places should become available at frequent intervals along TEN-T road networks, complemented by a requirement making available to lorry drivers 'real time' information about availability and quality of parking places in order to maximise their use. CLECAT will also seek to actively participate in the Commission's Secure Parking Expert Group. The aim of the Expert Group is to provide advice and support to the Commission on the implementation of the recommendations of the study on secure parking places for trucks as well as of the TEN-T guidelines; to elaborate and propose measures to ensure compliance with the common standards for safe and secure parking areas, as proposed by the above mentioned study, in particular as regards auditing, certification, complaint handling and needs for refinement/adjustment of the standard.

- On **weight and dimensions of HGVs**, CLECAT remains convinced that a wider and international application of modular systems in road freight operations (also called eco-combi vehicles or high capacity vehicles (HCVs)) will contribute to the improved efficiency and reduced environmental impact. The Commission may want to have a fresh look at this legislation and allow cross-border operations of modular concept combinations between Member States as the adoption of longer and heavier vehicles all over the EU is the easiest way to improve the EU's environmental performance in freight transport in the short term.

### Combined transport

- The **revision of the Combined Transport Directive** has been supported by CLECAT as the current legislation is outdated. As such, for freight forwarders the removal of the specification of '*nearest suitable terminal*' and the flexibility offered in determining the length of the road leg is very important. CLECAT welcomed the extension of the scope of application of 'combined transport' to all operations in the EU and all modes of transport. For multimodal or combined transport to be successful and to be chosen more frequently as a reliable and sustainable option by shippers and forwarders, there remains a **need for some exemptions on the road leg**, including cabotage and increased flexibility on the road-leg distance and definition of most suitable terminal. The review of the Combined Transport Directive offered a good basis to encourage the increased use of multimodal transport but developments in Council were disappointing.

In order to achieve the **modal shift objectives**, other challenges need to be addressed as well. Reducing the regulatory competitive disadvantages experienced by rail, short sea shipping and inland waterways, as well as improving cross-border connections, will further strengthen multimodal and with that combined transport. In addition to the proposal's national incentives, multimodality should also be strongly supported by the next Connecting Europe Facility (CEF).

### Rail transport

- For many years, barriers in the rail freight sector have related to problems with non-discriminatory access to infrastructure for new entrants, a multiplicity of authorisation and certification regimes across the EU, insufficient separation between infrastructure and service management, differences in access charges and an enormous diversity in technical standards both for trains and rail infrastructure.
- Whereas there is progress with the **implementation of the 4<sup>th</sup> Railway Package**, concerns remain due to the delay of market opening in some Member States and the slow deployment of the

- European Railway Traffic Management System (ERMTS). Many other calls have been made to support harmonisation, such as on language requirements, which is supported by CLECAT. CLECAT also calls on the Infrastructure Managers to better cooperate to **jointly prepare timetables and coordinate infrastructure works**. The lack of coordination has a negative impact on the quality of service offered to end customers. CLECAT also supports all **measures that aim to integrate different rail freight transport** (single wagon load, unit train service, combined transport) on an operational level. This will lead to higher capacity utilisation of trains, reduce costs and improve the competitive position of the rail system.
- CLECAT continues to call on the rail freight corridors to provide an **adequate, generic and comparable set of key performance indicators (KPIs) on the quality of service** at regular intervals and in consultation with the stakeholders. The corridors should commit to communicating these performance indicators transparently along the corridors to the customers and the public, as they are essential for marketing the performance of rail freight.
- The low innovation capacity of the rail sector and the high costs of innovation add to the advantages of the road sector, a comparably highly innovative sector. *Digitalisation in the rail sector* could lead to cost reductions and increased efficiency. The sharing of data is not yet a common practice in the railway sector. With the increase of automation and the development of one-stop shop tools, there is a growing importance for defining data spaces and common data format and to work towards a Europe-wide big data exchange.
- Research and development activities should go in the right direction, i.e. business driven solutions reflecting customers' needs and reducing costs. The ELETA project on the implementation of Estimated Time of Arrival is important and will be beneficial for the logistics sector. CLECAT pleads for **more innovation projects to optimise rail freight as part of logistics solutions**, especially in digitalisation, to present advantages of rail and transport solutions in a simple, customer oriented transparent platform.

### **Trade, customs and indirect taxation**

- Balancing between enforcement and **trade facilitation** remains a key priority for the EU, in particular in view of global developments and trends. Modern technology and principles provide the tools to maintain the right balance between trade compliance and trade facilitation. The EU and its Member States should use those tools to the maximum extent possible. Authorised Economic Operators (AEOs) should be considered as real partners to Customs authorities and granted more facilitation from other authorities cooperating with Customs (e.g. health, environmental or consumer protection).
- **Responsibility and liability:** While defining new rules on, for example, tax fraud and consumer protection, the EU should take serious care when defining responsibilities and liabilities. The measures should target the parties that actually intend to commit fraud or are careless about consumer health and safety. There should be a clear distinction between those parties and legitimate trade. EU companies which merely provide a service like transporting, storing or declaring goods on behalf of someone else. There should be a form of responsibility for the logistic and trade service sector, but operators cannot be held liable for the actions and choices of fraudulent parties. If fraudulent parties are not held liable, it would even incentivise them to commit criminal activities, as they will be never held accountable for it but the logistics service providers. Placing increased liability on logistics service providers will surely mean that risks and

costs will increase, and many will choose not to provide these services anymore. This would damage the economy of the entire EU, as buyers and sellers of goods and the authorities rely on the service provided by freight forwarders and customs brokers to keep legitimate trade in goods flowing.

- **Major legislative and IT implementations:** In the coming years in the EU, almost all fundamental aspects concerning international trade and customs will remain “under construction” for the EU Member States, companies and the European Commission. The new Union Customs Code (UCC) is still in the process of being implemented, which implies the re-assessment of all authorisations, including AEO, and the update of hundreds of IT systems on EU, national and private sector level. The EU VAT system is also being renewed in the next few years, especially regarding international trade and e-commerce. And completely new legislation on controls for the agri-food chain will be implemented. Furthermore, the EU is implementing many other trade agreements or sanctions and restriction with other parts of the world. Lastly, a lot of new legislative initiatives and procedures will be introduced concerning consumer, health and environmental protecting.
- Even though CLECAT appreciates the efforts of the EU to limit economic damage, CLECAT strongly calls upon EU decision makers to keep in mind that it is not just the Commission and Member States who have to deal with all those changes. The actual companies involved in trade need to implement measures, update IT system and rearrange supply chains. CLECAT considers that time, resources and clear information should be provided to the private sector. If this is not provided, in the next few years companies, in particular SMEs, will only be processing government changes, with barely any time and resources left to spend on their own core business, trading and transporting goods.
- **Recruitment and education:** Another key challenge which the public and private sectors are facing is the recruitment and education of sufficient people in the area of customs and trade compliance. For Brexit alone, thousands of new customs and trade professionals need to be employed. They need to be educated and trained to higher standards than before and with new skills. Therefore, CLECAT considers that joint efforts by the Commission, Member States and private sector to promote the customs and trade compliance profession and to educate and train staff would be more effective than when each party would do it separately.
- **Cooperation/coordination:** All the different developments and legislative initiatives with regards to trade, digitalisation and customs are coming from different Directorates within the European Commission and are being implemented and enforced by different national authorities. National customs authorities, for example, check and enforce over 50 different pieces of legislation other than customs legislation. As the amount of rules and regulations in international trade is expected to increase only further CLECAT considers the cooperation and coordination between the various Commission directorates and national authorities is therefore crucial. CLECAT is pleased to note that within the European Commission the various DGs (MOVE, SANTE, TRADE, TAXUD) have started to work much closer, for example, on single window initiatives.

## Air freight

- In the air transport sector, new policies and legislative initiatives are needed to prevent discriminatory access to infrastructure, to clarify public service obligations, to prevent state-aid and subsidies creating unjustified market distortion, and to progress on integrated traffic

management. **Airport capacity** is a major issue impacting on air freight, especially with demand for air travel set to increase and with competing global hubs gaining ground. Ensuring conditions that allow for financing of airport development and investment in airport capacity should be a priority for the European Commission.

- CLECAT believes that in aviation, the completion and also effective implementation of *the Single European Sky* needs to be prioritised. The main objective of the *Single European Sky* initiative, being the reform of the air traffic management to cope with sustained air traffic growth and operations under the safest, most cost-and flight-efficient conditions, is of utmost importance. The currently heavily fragmented structure involving 36 national air traffic management (ATM) bodies leads to inefficiencies in the system, resulting in significant delays. For this to happen the deadlock over Gibraltar airport needs to be overcome which is causing a deadlock on various aviation files in Council.
- Furthermore, **interoperability between different air traffic control systems** should be ensured in order to allow for smoother processes. CLECAT believes that ensuring fair international competition is of utmost importance, however, this should in no way lead to Europe resorting to protectionism. Instead, barriers for digitalisation should be removed and an intermodal focus should be considered at all times.
- **Non-discriminatory slot allocation**: Aviation is growing faster than airports can develop and expand. Therefore, at some airports the maximum capacity of flights is reached or will be reached within 5 years. This could have negative consequences on the position of full freighter flights at airports. These have more difficulty meeting the requirements to obtain historic rights within the EU slot allocation regulation. Slot allocation in airports is based on the principle that slots used by one carrier are reallocated to the same carrier over the next period if they are used for over more than 80% over the season, but are lost if not used. CLECAT would support a mechanism which would ease the reservation of non-used slots for cargo operations
- In transposing the **Groundhandling Directive**, many Member States have limited the marketplace to two single competitors, thus leading to higher costs of Groundhandling services at EU airports and to inefficient airport operations. CLECAT believes that the liberalization of the Groundhandling market at EU airports bears the potential to fundamentally reduce operational costs and incentivize growth and efficiency in air transport operations, without compromising quality of service. CLECAT therefore supports the principle of a uniform and full liberalisation of the ground handling market at all EU airports, eventually be a major step forward in the competitive future of the freight forwarding sector.

## Maritime transport

- In the maritime logistics supply chain, **further interoperability between systems in different ports** is necessary to bring about the **digital solutions that optimise the logistics chain**. Many of CLECAT's recommendations were taken on board during the revision of the Regulation for a European Maritime Single Window. We are confident that this pan-EU legislative initiative can ensure that electronic communication is possible in all Member States and for all relevant authorities in those Member States. Most important is that this can happen in a harmonised way, whereby a common data set is also enforced. The focus is on the exchange of data for the B2A and A2A communication. There is a strong desire to ensure the revision is a success, having the ambition to secure EU harmonised reporting for ships, the establishment of a maximum dataset and the efficient re-use of data.

- Both digitalisation and technological innovation can substantially support a **more efficient organisation of the transport chain** and contribute to the **transformation of waterborne transport to a zero-emission mode of transport**. In this respect CLECAT also calls for enhanced interoperability between the various port community systems which is necessary to improve efficiencies in logistics chains.
- CLECAT continues to believe that there is an important role for the Commission in **stimulating financial investment (public and private) in the necessary infrastructure** which will better enable the efficient flow of goods through the ports to or from the hinterland, improve efficiency, lower costs and increase productivity. Freight forwarders require ports and services and associated infrastructure to be provided where demand determines; competition for funding is fierce and therefore priority funding should be given to those developments and enhancements where demand is greatest. EU ports policy should seek to facilitate the provision of reliable and authoritative supply and demand data that ensures the appropriate use of available capital investment. In this respect we continue to believe that the TEN-T projects should be subject to a rigorous cost/benefit analysis.
- **Ensuring shipping competition (antitrust regulation)**: The EU legal framework on maritime transport foresees detailed rules on non-distortion of competition. Whereas cooperation in price and capacity fixing arrangements was banned as they prevented price competition, vessel sharing consortia are permitted provided that market shares resulting from such agreements remain below 30 percent. This consortia block exemption is currently under review, and CLECAT argues that these rules should be completely removed or at least made more stringent in particular due to increasing dominance of global alliances and the ongoing market consolidation and vertical integration. CLECAT maintains that consortia represent a legitimate business mechanism for liner shipping companies to improve their offer. Liner shipping companies can co-operate in consortia if they believe this gives them greater scope for providing a range of services. However, CLECAT reiterates that the **block exemption itself is not necessary and reduces competition** by giving carriers a free pass to reduce service offerings.
- General guidelines exist for regulating horizontal industry agreements, and further guidelines could clarify to what extent consortia could provide benefits to users and outline restrictions on practices related to data exchange and the purchase of port services. CLECAT maintains that an **effective oversight and monitoring of consortia and strategic alliances may be needed** to ensure effective implementation of these guidelines. This should ensure enforcement of competition rules in the changed landscape of the liner shipping industry to enhance the accountability of the shipping lines.
- Furthermore, carriers, some of which receive state aid in the form of shipping funds, exemptions from taxes and social contributions, are increasingly moving towards integrated models and offer services that brings them in direct competition with freight forwarders and service providers. Ultimately, the impact on the customer could be a reduction in competition and, consequently, less choice.

