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News from Brussels

JOINT CALL FROM MARITIME LOGISTICS STAKEHOLDERS NOT TO PROLONG CONSORTIA BER

Stakeholders in the maritime logistics chain issued today a joint press release on the draft decision of the European Commission to prolong the Consortia Block Exemption Regulation. CLECAT, ETA, EBU, ESC, FEPORT, GSF, GSA and UIRR, representing the users of liner shipping services and service providers of the maritime logistics chain, object to the prolongation of the CBER on the grounds advanced in the Commission's Staff Working Document Report from 20 November 2019 (the SWD). The associations believe the Commission has failed to demonstrate that the continuation of the CBER would benefit transportation users and service providers, i.e., consumers.

The EU's Consortia Block Exemption Regulation for liner shipping exists since 1995 and was revised in 2010. Since then, it has been renewed, without modifications, every five years. The Commission's proposal is to once more renew the BER without modifications.

A [profound legal analysis](#) commissioned by CLECAT, ESC, FEPORT and ETA of the SWD has demonstrated that not only has the Commission largely dismissed the views of the users, operators and service providers in the supply chain, the associations all share the view that there are many legal flaws in the arguments put forward by the Commission. These flaws relate to many issues - missing data, one-sided assumptions on efficiency gains disregarding non-rate related parameters, lack of a proper definition of relevant geographic markets to assess market shares and a complete failure to identify remaining benefits to users if the CBER would be continued.

The Commission has not assessed the five Evaluation criteria accurately and in a balanced way, in particular because of the failure to obtain the available relevant data and mainly by ignoring important changes in the liner shipping market since 2014. Without adequate explanation, the SWD has wrongly excluded Alliances from the evaluation of the CBER. Alliances have through investment in ULCV's - largely changed the economics of international liner shipping, which in turn has changed cost

structures for logistics and infrastructure providers. It is disturbing that the Commission SWD concludes that Alliances are irrelevant to its evaluation of the CBER because two of the Alliances fall outside the 30% market share threshold on certain trades

The associations consider it equally frustrating that the Evaluations criteria are completely biased towards the interest of the carriers. The BER is said to provide for carriers with legal certainty as without the BER, consortia would need to carry out self-assessments to ensure they meet the EU's general competition regulation. Yet an unmodified BER may not provide this legal certainty, as it is unclear which consortia are still covered by it: it applies only to consortia with a market share below 30%, which is difficult to monitor in practice as outlined above.

Also, the Commission has not analysed the impact of liner shipping consortia on ports operations and landside transportation. The landscape of the liner shipping industry has changed in the sense carriers do not limit their services to port-to-port services but door-to-door; they also exchange data on services which relate to the port and land side which is made easier with developments in the area of big data and business intelligence and analytics – all of this not available to the liner shipping industry at the time of previous reviews of the BER.

The associations urge the Commission not to extend the CBER by another four years and to conduct a proper objective evaluation of the Consortia BER over the coming year in view of the need to collect data and assess evidence received.

The full press release can be downloaded [here](#).

MOVING FROM LOW-EMISSION TO ZERO-EMISSION LOGISTICS

CLECAT has published a position paper outlining the needs and objectives of European freight forwarders and logistics service providers with respect to sustainable logistics in the era of the European Green Deal for transport.

The new European Commission has set bold climate targets with the ambition for Europe to become the first climate-neutral continent in the world. This means that the transport and logistics sector will need to step up its decarbonisation efforts, which will pose a challenge given the current growth in transport demand and resulting emissions.



CLECAT is of the view that much can be achieved to support the transport and logistics sector to reduce its emissions. Yet, if the EU really wants to fully decarbonise transport and transition to achieve a net zero economy in 2050, a holistic approach is needed for any current and future policy at both the EU and national level, combining long-term objectives for transport and logistics emissions reduction, increased efficiency of logistics practices, fair internalisation of the external costs of transport, development of sustainable alternative fuels and deployment of respective refuelling infrastructure, as well as sufficient financing of more efficient and sustainable transport and logistics solutions.

‘The ambitious decarbonisation targets of the EU can only be achieved with bold investments, smart regulation and a clear engagement of both governments and industry,’ argued CLECAT’s Director General Nicolette van der Jagt, adding that ‘CLECAT supports the acceleration of the pace of transport



decarbonisation in Europe but warns against certain measures that would prevent the Green Deal from creating an opportunity for the transport and logistics industry and would instead become a burden, given in particular the unrealistic modal shift objectives.'

The position paper can be accessed via [CLECAT's website](#).

Maritime

EP PUBLIC HEARING ON MARITIME TRANSPORT DECARBONISATION



On 21 January, CLECAT will attend a public hearing at the European Parliament's Environment Committee (ENVI) on the topic of the maritime transport decarbonisation in the context of ENVI Committee's current work on the Commission proposal to amend [Regulation \(EU\) 2015/757](#) on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport.

The public hearing will consist of two panels, chaired by the Chair of ENVI, Mr Pascal Canfin MEP (FR, Renew Europe). The first panel will debate the state of play of the GHG emissions from EU-related maritime transport as well as future prospects. The second panel will focus on the reduction of these emissions, seeking to address the setting of GHG emissions reduction objectives and the extension of the EU ETS to maritime transport.

More information can be found [here](#). The event will be web-streamed, with a possibility to follow the debates [online](#).

INLAND CONTAINER SHIPPING GUIDELINES

Given the increasing inland container shipping volumes in the Port of Rotterdam, the logistics chain parties, including the Dutch freight forwarders (FENEX) and shippers (evofenedex), have launched a set of guidelines, providing recommendations to shippers and forwarders when it comes to influencing the development of a more transparent and efficient structure for the inland container shipping chain.

The rapid development of the port's inland industry has led to growing container volumes, greater peaks and a more complex planning. These factors, together with the free time and demurrage and detention conditions, influence inland container shipping chain party decisions. The published guidelines therefore focus on several decisive components in the sea freight process with regards to contractual agreements and the sharing of information.

The guidelines can be downloaded [here](#).



Customs & Trade

REVISION OF GLOBAL RULES ON CUSTOMS PROCEDURES

From 9 to 13 December 2019, CLECAT represented FIATA at the 7th meeting of the Working Group on the Comprehensive Review of the Revised Kyoto Convention (WGRKC), held at the WCO Headquarters in Brussels. The Revised Kyoto Convention is the flagship Convention of the WCO which establishes global rules on the simplification and harmonization of Customs procedures.

The group extensively discussed items relating to the revised process flow, such as the "Four-step Framework" for the review, including: Step 1-“submission of proposals” and “development of recommendations”; Step 2 -“assessment of developed recommendations against the RKC and existing WCO tools”; Step 3-“consideration of developed recommendations against criteria”; and Step 4-“development of amendment proposals”. The meeting also agreed on the working methodologies, the new work plan, criteria for prioritizing the proposals, and prioritization of concepts/proposals to test the use of developed criteria.

The Meeting concluded that one more meeting of the WGRKC to be held from 30 March to 3 April 2020, would be necessary to finalize Step 1. The majority of the WGRKC agreed that in principle the rest of the work should be conducted by the RKC Management Committee.

Source: [World Customs Organization](#)

PREVENTION & SOLUTION OF VAT DOUBLE TAXATION DISPUTES

On 16 January, CLECAT attended the 14th plenary meeting of the EU VAT Forum. The VAT Forum endorsed a special report on the prevention and solution of VAT double taxation disputes. CLECAT was a member of the dedicated sub-group of the Forum which developed the report. The subgroup’s report responds to the call from the VAT Forum’s members to identify and highlight the current best practices and to analyse how to efficiently prevent and/or solve double taxation (or non-taxation) situations in the EU.

The report finds that the impact of VAT double taxation and its overall burden are not currently measured. However, the sub-group has observed that VAT double taxation negatively affects the principles of VAT neutrality, tax fairness and equal treatment. The report provides a mapping and assessment of the existing tools for prevention and solution of VAT double taxation. The analysis reveals that none of the currently available tools – alone or combined – can guarantee a solution for businesses or tax administrations in all cases of VAT double taxation or, more widely, in cross-border VAT disputes. To adequately address issues of VAT neutrality and tax fairness, including fair competition, the sub-group proposes key actions (short-term, mid-term and long-term) to deal with the identified loopholes: better communication and dialogue; better articulation of existing tools and processes; and taking steps towards a comprehensive legal framework.

The VAT Forum found the report very accurate, providing a complete and comprehensive overview of current realities, existing gaps and potential solutions. The VAT Forum members will now carry out further work on the way forward and how to address the findings of the report.

The full report will be published soon on the European Commission’s [website](#).



Sustainable Logistics

EP RESOLUTION ON THE EUROPEAN GREEN DEAL

On 15 January 2020, the European Parliament (EP) adopted its position on the European Green Deal, unveiled by Commission President von der Leyen in December. In the [adopted resolution](#), MEPs welcome the Green Deal and support an ambitious sustainable investment plan to help close the investment gap. They also call for an adequately funded Just Transition Mechanism.



The EP wants the upcoming Climate Law to include higher ambitions for the EU's 2030 goal of emissions reductions (55% in 2030 compared to 1990, instead of "at least 50% towards 55%", as proposed by the Commission). The EU should adopt these targets well in advance of the UN climate change conference in November, MEPs say. They also want an interim target for 2040 to ensure the EU is on track to reach climate neutrality in 2050.

With respect to transport, MEPs welcome the upcoming strategy for sustainable and smart mobility and agree with the Commission that all modes of transport will have to contribute to the decarbonisation of the transport sector in order to reach climate-neutrality. They support the application of the 'polluter pays' principle and call for a long-term holistic strategy for a just transition, which takes into account the contribution of the transport sector to the EU economy and the need to ensure a high level of affordable and accessible transport connectivity as well as social aspects.

The EP welcomes the Commission's proposal to boost multimodal transport to increase efficiency and reduce emissions, as well as the intention to propose measures to increase interconnectivity between road, rail and inland waterways, leading to a genuine modal shift. MEPs consider that it is crucial to ensure sufficient investments in developing appropriate infrastructure for zero-emission transport and that all relevant EU funds, as well as European Investment Bank transport lending, must be tailored accordingly. The resolution calls on the Member States to commit to proper funding and step up the deployment of innovation, charging infrastructure and alternative fuels, while maintaining that revenues from taxes or fees on transport should be earmarked to support the transition.

The resolution welcomes the Commission's intention to include the maritime sector in the EU ETS and phase-out the free allocation of allowances for intra-EU flights to airlines. The EP calls on the Commission and the Member States to support the adoption by the international organisations, namely the ICAO and IMO, of long-term objectives to reduce GHG emissions in the aviation and maritime sectors, while safeguarding the EU's legislative autonomy in implementing the ETS Directive. It takes note of the Commission's plans to consider extending EU emissions trading to road transport emissions but rejects a direct inclusion in the EU ETS and the setting up of any kind of parallel schemes.

Ultimately, the EP looks forward to the upcoming Commission proposals for more stringent air pollutant emissions standards for combustion vehicles and for revised CO₂ emissions performance standards for cars and vans, as well as trucks, ensuring a pathway from 2025 onwards towards zero-emission mobility. MEPs also welcome the Commission's plans to address air pollution from maritime transport and aviation.



Rail

GERMANY AND DB SIGN RAIL NETWORK MODERNISATION PROGRAMME

On 14 January, the contract for the new service and financing agreement in Germany (Leistungs- und Finanzierungsvereinbarung - LuFV III) was signed by the German Federal Transport Minister Andreas Scheuer, DB AG and DB Infrastructure. According to this plan, by 2030, €86 billion should be invested in the maintenance and modernisation of the existing rail network in Germany. More specifically, the funding will be used to renew tracks and stations, signal boxes and energy supply facilities.

The German Federal Government and DB are increasing their contributions considerably. The German Federal Government is providing €62 billion of the total funds. DB is contributing €24 billion in own funds. Thereby, an average of €8.6 billion/year will be available for replacement investments and maintenance. This represents 54% more than in the previous planning period. According to Mr Scheuer, the goal is to achieve strong rail sector, with an efficient, high-quality network as the basis for active climate protection in transport.

The LuFV regulates in particular the replacement investments in the existing railway network, determines quality indicators, as well as sanctions for non-compliance. The agreement is based on comprehensive transparency and control. The Federal Railway Authority monitors how the agreement is implemented. To this end, 17 criteria have been agreed to measure the success of the agreement. If DB fails to meet the contractual requirements, fines will be payable. Quality indicators document, *inter alia*, the condition of the network, how many bridges have been renewed, and how much of the funding is used for maintenance.

Source: [German Federal Ministry for Transport and Digital Infrastructure \(BMVI\)](#)

Forthcoming Events

CLECAT MEETINGS

CLECAT Customs and Indirect Taxation Institute
17-18 February 2020, Brussels

CLECAT Air / Security Institutes
3 March 2020, Brussels

CLECAT-FIATA Joint Road Institute
25 March 2020, Zurich

CLECAT Maritime Logistics Institute
21 April 2020, Brussels



EVENTS WITH CLECAT PARTICIPATION

EP Hearing on Reducing GHG Emissions from EU-Related Maritime Transport

21 January 2020, Brussels

Breakfast Debate on the Job Attractiveness in Road Transport

22 January 2020, Brussels

EP/COUNCIL MEETINGS

European Parliament TRAN Committee

20-21 January 2020, Brussels

European Parliament Plenary

10-13 February 2020, Strasbourg

EU Transport Council

4 June 2020, Brussels

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