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News from Brussels

EP CONFIRMS PROVISIONAL AGREEMENT ON MP1

On 21 January, the European Parliament's Transport Committee (TRAN) confirmed the provisional agreement on the social and market aspects of the 1st Mobility Package, reached by the Finnish Presidency on 12 December 2019, with a comfortable majority:

- The provisional agreement on the posting of drivers was approved with 27 votes in favour, 22 against and no abstentions.
- The provisional agreement on the driving/rest times was approved with 27 votes in favour, 17 against and 5 abstentions.
- The provisional agreement on market access and cabotage was approved with 32 votes in favour, 17 against and no abstentions.



Following the confirmation in TRAN, the translation and the legal-linguistic verification of the compromise texts will have to be conducted, which generally takes around 6 to 8 weeks. The Council is then expected to finalise its first-reading position and transmit it to TRAN, thus triggering the second-reading procedure. TRAN will then have 3 months to prepare its second-reading position, submit amendments and have it approved by the full EP, possibly at the EP's Plenary session in May.

CLECAT appreciates that, without conclusions on the 1st Mobility Package, further internal market fragmentation may prevail. However, as another review of the road freight transport rules would take many years, CLECAT has called on the MEPs to carefully think about the consequences of the new legislation and encouraged the EP to call on the Commission to conduct a proper impact assessment in view of the EU's decarbonisation objectives contained in the European Green Deal.

Road

MP1 RULES ON CABOTAGE INCREASE CO2 EMISSIONS



ECIPE, a European think tank focusing on EU Single Market, has [concluded](#) that the new rules on the road freight transport, contained in the provisional agreement on the 1st Mobility Package, would significantly inflate the number of empty trucks and further increase CO2 emissions in the EU.

Cabotage regulations urge haulage companies – by law – to frequently call their vehicles back home. Despite the liberalisation of cabotage rules in 2009, cabotage operations are still highly restricted, already causing thousands of empty trailers on European streets every year. The new restrictions on cabotage and the mandatory 8-week vehicle return, as proposed in December 2019, would substantially increase the number of empty truck runs across the EU, i.e. vehicle kilometres and CO2 emissions respectively, reported the think tank.

According to 2018 Eurostat data and KPMG estimations, for the EU as a whole (including the UK), the additional CO2 emissions resulting from the proposed changes in cabotage regulations, including the ‘cooling-off’ periods, would amount to about 4 million tonnes. Eurostat data also show that Germany is the country where almost half of EU cabotage was observed in 2017. Therefore, the largest part of the additional CO2 would be emitted in Germany. This is because of Germany’s role as a transit country, connecting Eastern European countries to Western European markets. Most of Poland’s (largest cabotage operating country), Romania’s and Bulgaria’s cabotage takes place in Germany.

In conclusion, ECIPE declared that the recently proposed rules would worsen the current situation, causing CO2 emissions to rise significantly, and suggested that only the complete removal of cabotage restrictions would be compatible with the EU’s climate and environmental policies.

Besides the environmental implications, the negative economic effects of the 1st Mobility Package are already being felt in the peripheral Member States. For instance, Lithuanian carriers have already started relocating their business abroad and do not intend to abandon these plans, [stated](#) the Lithuanian National Road Carriers’ Association Linava. “The first Lithuanian trucks have already been registered in Poland, according to our data, with Lithuanian carriers intending to register about 3000 vehicles in the neighbouring country this year. New jobs are also being created in Poland, not Lithuania,” said the Secretary General of Linava, Mečislavas Atroškevičius. “As a result, the registration of these trucks in Poland alone will result in the loss of about €24 million to our national budget, and this is not the end,” Mr Atroškevičius emphasised.

JOB ATTRACTIVENESS IN ROAD TRANSPORT

On 22 January, CLECAT attended the policies and practices debate entitled “Job Attractiveness in Road Transport: Challenges and Opportunities”. The debate focused on how to create favourable conditions to attract and retain truck drivers; on the balance between social, economic and environmental issues facing the road transport of tomorrow; and on the use of technology to promote smart driving.



According to various stakeholders and studies, the European road transport sector is facing a significant professional drivers' shortage. The average age of drivers is increasing in the EU and the number of drivers is diminishing year after year, while the share of road use for inland freight transport is actually increasing. Panellists agreed that the increasing shortage of truck drivers is posing a risk to the whole sector – not only to the transport companies but also to retailers, given the potential price rise that may impact consumers and demand.



During the debate, panellists distinguished the main factors affecting the job attractiveness in road freight transport, namely the difficult working conditions, the negative image of the profession and the legal age of drivers. Participants agreed that it is essential to improve the working conditions, for instance by mobilising EU and national level investments in safe and secure parking areas across the EU in order to close the gap of 100.000 missing parking spaces per night.

The image of the profession can be improved by common programmes and image campaigns designed to attract truck drivers and workers in logistics. The attractiveness of the profession can also be boosted by automation and digitalisation, which will likely change the sector to a large extent in the near future. However, seizing the benefits of automation will require a new skillset – making further training and upskilling programmes affordable and accessible for everyone is therefore crucial to prepare the workforce for future challenges.

The Commission has also indicated that there will soon be a public consultation on lowering the minimum legal age of drivers in order to attract the younger generation in different Member States.

Maritime

EP PUBLIC HEARING ON MARITIME TRANSPORT DECARBONISATION



On 21 January, CLECAT attended 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 European Commission proposal to amend [Regulation \(EU\) 2015/757](#) on the monitoring, reporting and verification of CO2 emissions from maritime transport.

Kicking off the first panel, Mr Fridell, IVL Swedish Environmental Research Institute, presented the state of play of the GHG emissions from EU-related maritime transport. With respect to MRV data, he noted that the data quality could be improved as currently it does not include upstream emissions or other GHG emissions than CO2. Discussing long-term measures for emissions reductions, he concentrated on new fuels, more efficient ships and wind propulsion, while speed reduction, renewable fuels and other operational means could contribute in the short term. A policy instrument



should ideally give quick results and stimulate long-term development (e.g. CO2 tax/CO2 trading), he noted, but other effects, such as air pollution, noise and emissions to water, should not be forgotten. Mr Bergulf, Maersk, outlined the key principles for EU action, specifying that the EU measure should be flag-neutral and lead to real GHG reductions but not to carbon leakage or unfair competition. The EU measure should also support IMO targets and serve as an incubator for global solution.

The second panel focused on the reduction of GHG emissions from shipping and addressed the setting of GHG emissions reduction targets as well as the extension of the EU ETS to maritime transport. Ms Graichen, Öko-Institut, noted that the increased climate ambition, leading to zero fossil fuels by 2050, is necessary as energy efficiency is not enough. EU should push for more climate action at IMO level, she said, but at the same time move forward by tackling the potential inclusion of maritime transport into the EU ETS and further developing the MRV regulation towards a policy for reducing operational GHG emissions of existing ships. Mr Abbasov, Transport & Environment, claimed that without EU action shipping will undo the efforts of other sectors under the -55% 2030 target. He therefore recommended to include international shipping in the EU ETS and establish a maritime climate fund to finance investment in port infrastructure (green hydrogen, shore-side electricity, etc.) and provide operational support for first-mover green ships. He also suggested to mandate European operational CO2 standard for ships to reduce emissions and force the uptake of clean fuels.

All presentations can be downloaded [here](#).

IMO 0.5% SULPHUR LIMIT IMPLEMENTATION

Since 1 January 2020, the global upper limit on the sulphur content of ships' fuel oil has been reduced to 0.5% from 3.5%. The new IMO regulation is supposed to lead to significantly reduced amount of sulphur oxide emanating from ships, resulting in major health and environmental benefits.

Information from various sources has indicated a relatively smooth transition to the 0.50% sulphur limit in the first few weeks of 2020, reported the International Maritime Organisation (IMO). Prices for compliant fuels – very-low sulphur fuel oil (VLSFO) and marine gas oil (MGO) – rose quickly initially but now appear to be stabilising. As of 20 January, 10 cases of compliant fuel being unavailable have been reported in the IMO's Global Integrated Shipping Information System (GISIS).

In a recent press release, IMO Secretary-General Kitack Lim said that "it is testimony [...] that such a major rule change is being implemented successfully without significant disruption to maritime transport and those who depend on it." He added that "the next important target is fast approaching, when carrying non-compliant fuel oil on board ships becomes prohibited on 1 March 2020. I urge all shipowners, operators and masters to comply with the carriage ban, where applicable, when it comes into effect. The IMO will remain vigilant and ready to respond and provide any support."

Source: [IMO](#)

Brexit

EU-UK FUTURE RELATIONSHIP

Since the revised Withdrawal Agreement and the Political Declaration were agreed at the end of 2019, it is now almost certain that the UK will leave the EU on 31 January. The final stage in the process is



the ratification of the Withdrawal Agreement by both parties. The Agreement provides for a transition period of 11 months. During this period, the UK will remain in the EU Single Market and the Customs Union. Thereby, the free movement of people, goods, services and capital will continue to apply until the end of 2020. Importantly, the transition period provides for the opportunity for the UK and the EU to enter into a new stage of negotiations and to secure a future partnership.

In the context of the preparation for the negotiations on the future relationship, the European Commission Task Force for Relations with the UK has held [a number of internal EU-27 preparatory discussions/presentations](#). Notably, these internal discussions on the [future EU-UK free trade agreement \(FTA\)](#) have highlighted that any agreement between the EU and the UK will aim to secure as close as possible a partnership, covering trade and economic cooperation as well as other areas. The agreement should be based on a balance of rights and obligations with sufficient guarantees for a *level playing field*. The Commission's presentation on the future FTA includes a detailed comparison of the current and potential future trade relationship. They also include an overview of the main aspects to be considered on trade in goods, covering free trade area, customs cooperation and regulatory aspects, trade in services and investment and other FTA issues.

The Commission has also published a presentation outlining the internal EU-27 preparatory discussions on the future relationship in the area of [transport](#). They provide for the elements to be considered concerning all modes, including aviation safety and security. The Commission has published other EU-27 internal discussions for the future partnership in the area of governance, energy, foreign policy, security and defence.

All presentation slides can be found [here](#).

Customs & Trade

EXPORT CONTROL MEASURES ACROSS THE EU

On 17 January, the European Commission published an [Information Notice](#) on the measures adopted by EU Member States in implementation of the [Dual Use Regulation](#). The Notice also provides an overview of the measures that have been notified to the Commission concerning dual-use items not included in the common list of dual-use items subject to export controls (Annex I to the Regulation).

The Dual Use Regulation sets up the EU regime for the control of exports of dual-use items and technology. It provides a detailed list on the dual-use items which should be subject to effective controls when they are exported from the EU. The Regulation provides that measures taken by Member States in implementation of the Regulation should be published in the Official Journal of the EU, in order to ensure that exporters have access to comprehensive information on the controls applicable throughout the EU.

INTERNATIONAL CUSTOMS DAY 2020

At the International Customs Day, held annually on 26 January, WCO Secretary General Kunio Mikuriya announced that 2020 will be dedicated to the contribution of the Customs community towards a sustainable future where social, economic, health and environmental needs are at the heart of its actions, with the slogan "Customs fostering Sustainability for People, Prosperity and the Planet".



Mr Mikuriya highlighted that ‘Customs is uniquely mandated and positioned at borders to play a prominent role across the international supply chain, ensuring a sustainable, secure, and inclusive future for all. Therefore, with only 10 years left to achieve the United Nations Sustainable Development Goals (SDGs) and given the direct links between Customs’ strategic mission and several of the SDGs, it is important for Customs to meet all the environmental, economic, health and social challenges while scaling up its ongoing efforts to respond effectively in a more proactive manner.’



The SG noted that Customs’ contribution to sustainability can be categorized as: building safe and secure societies, reducing trade barriers for just and inclusive societies, and ensuring its sustainability for future generations. ‘These dimensions of sustainability underpin Customs’ contribution to achieving the 17 SDGs outlined in

the United Nations’ 2030 Agenda for Sustainable Development. The new vision of the WCO – “Bringing Customs together for a safer and more prosperous world: Borders divide, Customs connects” – that is enshrined in the Organization’s Strategic Plan 2019-2022, highlights the role of Customs in securing borders, thereby contributing to economic prosperity, and unifying all actors along the entire supply chain.’

Source: [World Customs Organization](https://www.wcoomd.org/)

EU TRADE AGREEMENTS

On 17 January, the European Commission [published](#) reports on the progress made during the latest negotiating rounds for the EU-Indonesia and EU-New Zealand trade agreements. The Commission reported that talks were held in a constructive atmosphere. Regarding EU-Indonesia trade, negotiators had made good progress on the chapters on rules of origin, customs and trade facilitation, rules related to trade in food, animal and plant products, technical barriers to trade, as well as questions related to sustainable development. The discussions on the EU-New Zealand trade agreement had covered various issues, including services, energy and raw materials and small and medium-sized enterprises.

On 17 January, the European Commission also concluded the first round of negotiations to deepen the existing Economic Partnership Agreement (EPA) with five Eastern and Southern Africa partners (Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe). During the first round of negotiations, the partners organised future work and had substantive initial text-based discussions on five chapters: rules of origin, customs and trade facilitation, technical barriers to trade, sanitary and phytosanitary standards and agriculture. Both sides are aiming for an ambitious and modern agreement including the whole spectrum of trade topics and building upon the existing agreements covering market access for goods and development cooperation.

Source: [European Commission](https://ec.europa.eu/commission/presscorner/detail/en/ip19_187)



Sustainable Logistics

EEA DATA ON TRANSPORT'S ENVIRONMENTAL IMPACT

On 22 January, the European Environment Agency (EEA) published a report entitled [“Transport: increasing oil consumption and GHG emissions hamper EU progress towards environment and climate objectives”](#).



This briefing is based on the EEA's Transport and Environment Reporting Mechanism (TERM) indicators, which have been used to monitor progress in integrating environmental objectives in transport since 2000. It tracks the short- and long-term environmental performance of the transport sector in the EU. It also assesses progress made towards key transport-related policy targets.

The report found that the EU transport sector still relies heavily on fossil fuels and is responsible for one quarter of Europe's GHG emissions — a share which keeps growing. Preliminary data for 2018 show that GHG emissions from transport were 29% above 1990 levels, regardless of improvements in the efficiency of vehicles. GHG emissions from aviation increased the most rapidly of the transport modes by an average of over 3% each year since 2013. In addition, the sector is a significant source of air pollution, despite significant progress achieved since 1990, especially of particulate matter and nitrogen dioxide, as well as the main source of environmental noise in Europe.

The EEA indicates that transport remains highly dependent on oil: oil-derived fuels account for 95% of energy consumption in transport. After reaching a peak in 2007, transport oil consumption decreased continuously until 2013, when it reached a level 12% below that of 2007. Since 2014, oil consumption from transport has been on an upward trend at an average rate of 2.2% each year. Within the sector, road transport accounts for the largest share of oil-derived fuels and was responsible for 71% of total EU consumption in 2017. The share of renewable energy used for transport in the EU rose from 7.4% in 2017 to 8.1% in 2018; yet, this is well below the EU target of 10% set for 2020.

The report concluded that the current efforts to limit the sector's environmental and climate impacts in Europe are not sufficient to meet the EU's long-term climate and environmental policy objectives. Achieving climate neutrality will need a 90% reduction in transport emissions by 2050, as indicated in the European Green Deal.

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

EP/COUNCIL MEETINGS

European Parliament TRAN Committee
19-20 February 2020, Brussels
16-17 March 2020, Brussels

European Parliament Plenary
10-13 February 2020, Strasbourg

EU Transport Council
4 June 2020, Brussels

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