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Brussels news

FFF2018: "CUSTOMS, TRADE AND SKILLS – WHAT'S THE DEAL?"



On 15 November, CLECAT held its 2018 Freight Forwarders' Forum, entitled 'Customs, Trade and Skills – What's the deal?' at the World Customs Organization (WCO) in Brussels. This year's Forum highlighted the importance of connecting trade, customs and skills across the EU and address challenges freight forwarders, customs agents and others in the logistics supply chain are facing. The Forum gathered more than 130 industry experts, policy makers and stakeholders.

The morning part of the event entitled 'factors changing the customs profession' addressed in three sessions the challenges for the future of the customs profession, education in customs and trade compliance and how to measure and provide proof of customs competence.

One of the key challenges facing the public and private sectors is the recruitment and education of a sufficient number of people in the area of customs. For Brexit alone, thousands of new customs and trade professionals need to be employed. Speakers noted that they will have to be educated and trained to higher standards than before and with new skills. Younger people also have a different attitude towards their jobs and have different demands from their employers. The forum concluded that it remains extremely important to attract the younger generations to the customs profession.

In a panel on the ways and means to measure and provide proof of customs competence, the EU Competency Framework was presented by the European Commission and various Customs representatives gave their national perspectives. Reference was also made to the CEN Standard of Customs Competency for Customs Representatives which was supported by CLECAT in an effort to promote professionalism, skills and knowledge in the customs representation within the EU.



The afternoon part of the FFF2018 provided a broad view of how politics and populism are influencing trade and customs by discussing various subjects like Trade Wars, Brexit, Export Controls and Sanctions. Steve Parker, President of CLECAT, in reflecting on his experience on customs, referred to the changing customs landscape rhetorically as the ghosts of customs past, present and future. He noted that while the past has been defined mostly by efforts directed towards the simplification of customs procedures, at present a significant change, characterised mostly by growing protectionist tendencies can be observed.

In her keynote-speech, Ana Hinojosa, Director of Compliance and Facilitation at the World Customs Organization (WCO), emphasised that technology will be a critical aspect of our future. In that regard, she noted that as technology knows no physical borders, new ideas of where a border starts and where it ends are emerging. Furthermore, she presented the implications which technology has on trade, environment, security and migration.

The European Commission gave insight into the progress made on the implementation of the EU Advance Cargo Information System (ICS2 & PLACI). This was followed by explanations on the impact this will have on the supply chain, how the industry needs to prepare for it, as well as its relation to other global security initiatives.



The FFF2018 concluded with a panel session on e-Commerce and low value consignments, which has grown exponentially in recent years and has become an integral part of trade and logistics. The panel presented the WCO e-Commerce Framework, as well as the developments at EU and national level, and the possibilities e-Commerce provides for freight forwarders and customs brokers.

The Freight Forwarders Forum 2018 also celebrated CLECAT's sixtieth anniversary. From an association of 5 Members in 1958, CLECAT has expanded to become the largest organisation of its kind in Europe, with 25 members in Europe and truly multimodal. A summary of the debates and the presentations will be published shortly on CLECAT'S website.



ELP DISCUSSED OPPORTUNITIES ON EURASIAN LANDBRIDGES



European Logistics Platform

At the fourth European Logistics Platform (ELP) event of the year 2018, around 40 EU policymakers and industry stakeholders met to listen to experiences from companies that make use of the EurAsian landbridges and to discuss the opportunities they see in making even more use of the connections between Europe and Asia.

The event was hosted by MEP Wim van de Camp, member of the TRAN Committee and of the ELP Advisory Committee. Mr van de Camp welcomed participants to the debate, mentioning that as a member of the China delegation of the European Parliament he has a great interest in the Chinese Belt Road project and in particular in how this connects with the TEN-T infrastructure.



Thomas Kowitzki, Head of China Rail / Multimodal, Europe, DHL Global Forwarding gave a users' perspective, highlighting that DHL's customers are more and more interested in the Transasian rail connections in view of its advantages which relate to sustainability and decarbonisation efforts, costs, time and reliability. Also, the share of transport volumes from Europe towards China has continuously increased in the past years, making the trades more balanced. 'Rail transport from Europe to China is also extremely interesting for many shippers because large shipments can be transported quickly or rather cost-efficiently on this route as an alternative to sea or air freight', noted Mr Kowitzki.

Hendrik Wehlen, General Manager Sales and Operations, Interrail Europe GmbH, gave the perspective of the intermodal operator, providing a lot of insight in the practical issues Interrail is facing, such as the need for them to analyse growth levels on the landbridge, including which commodities and types of shippers it benefits the most, the need to connect in view of the cultural differences and problem areas and service risks in terms of infrastructure, service quality, pricing and the eventual elimination of government subsidies. He gave the example of a pilot of a direct rail shipment of European wine successfully crossing Eurasia and arriving in China, opening up a new way for supply chain operations for wine producers of Europe.

Alain Baron, Team Leader in DG MOVE, presented in a nutshell the vision of the European Commission with regards to the Belt and Road initiative. He highlighted that the Commission has been investing a lot of time in ensuring continuous dialogue with the Chinese government through the Connectivity platform. The Commission aims for a more inclusive and sustainable approach for development of connectivity with Asia taking into account European standards and values. Mr Baron was also careful in his approach towards the Belt and Road initiative and stressed the need for to be selective and to create value for money with projects that arise out of demand.

LEARN INTERNATIONAL WORKSHOP

On 6-7 February 2019, the Logistics Emissions Accounting and Reduction Network project (LEARN) partners are hosting a workshop, where project results and learnings will be presented and discussed.

The workshop will demonstrate practical examples of companies that have tested emissions calculation, assurance and reporting in practice, and recognise their achievements. It will also be explored how to move forward and work with businesses beyond the LEARN project through policy, research, training and a growing network of programs and initiatives.



The Logistics Emissions Accounting and Reduction Network project (LEARN) mobilizes business to reduce their carbon footprint across their global logistics supply chains through improved emissions calculation, assurance and reporting. Over the past 2 years, LEARN partners – including CLECAT – have been working closely with related organizations, initiatives and already existing networks. This includes the Global Logistics Emissions Council (GLEC), a voluntary partnership of companies, industry associations and programs, led by Smart Freight Centre. The LEARN project has built on and sought to improve the ‘GLEC Framework for Logistics Emissions Methodologies’ that combines existing methods and fills gaps, making carbon accounting work for industry.



The full two-day agenda and the registration form can be found [here](#).

TRAN DEBATE ON DRAFT REPORT EFTI

MEP Claudia Schmidt (EPP, Austria) presented her [draft report on the Proposal for a Regulation on electronic freight transport](#) to the TRAN Committee on 21 November. In her draft report, the Rapporteur wanted to show more ambition than the Commission, making some aspects mandatory for business.



The Rapporteur welcomes the Commission proposal, which she believes is long overdue, given that the sector is seriously lagging behind in digitalization compared to the rest of the economy. The European Parliament has been calling several times in the past for a stronger push towards paperless transport and urged for a more simplified, paperless, seamless, transparent, secured and trusted information flow between businesses, customers and authorities in this sector. However, the Rapporteur believes that the proposal is rather limited in scope and could be strengthened further.

In response, the Commission noted that this was something that the Commission had considered although they had drawn the conclusion that initially at least they should focus on a system that was mandatory for the authorities but voluntary for the operator until the services were more widely developed and the costs then more minimal. CLECAT issued its [position paper](#) on the Commission proposal and will reach out to the European parliament ahead of the deadline for amendments in the EP TRAN Committee for electronic freight transport information on 4 December.

CLECAT WELCOMES TRAN VOTE ON CEF II

On 22 November, the European Parliament's Committee on Transport and Tourism and the Industry Committee jointly adopted the Marinescu- Telička- Virkkunen report on the Connecting Europe Facility proposal 2021-2027. Members of the committees voted to raise the general envelope of the CEF transport budget by €7bn to €33.51bn. CLECAT has welcomed the fact that the Parliament clearly recognizes the importance of strengthening the cross-border connectivity.



The significant role of transport for the development of the Union had been equally recognised by the Parliament's request for a higher CEF transport budget during the vote on the next MFF. In its report on the MFF, the Parliament called for a significantly larger budget for transport infrastructure through the Connecting Europe Facility (CEF). Instead of the proposed €11.3 billion, the Parliament suggested raising the EU budget for transport to €17.7 billion.

Apart from an increase for the CEF budget, the Parliament's report also pleads for the realisation of budget increases for the Cohesion Fund and the Regional Development Fund, as well as additional budget for Horizon 2020 projects and a new envelope for sustainable tourism.

The vote of the European Parliament has been scheduled for the December plenary. The negotiations between Council and Parliament are expected to start early 2019.

Road

AGREEMENT ON UPDATED ELECTRONIC ROAD TOLLING RULES

On 20 November, the European Parliament and the Council reached a preliminary political agreement on the Commission's proposal on updated electronic road tolling rules. Included in the First Mobility Package, put forward by the Commission in May 2017, the European Electronic Toll Service (EETS) Directive intends to improve the cross-border interoperability of electronic toll collection, simplify administration and reduce toll fraud.

In addition to providing a better service to European road users by making it possible to pay tolls in the entire EU territory with one on-board unit, one contract and one invoice, the EETS will reduce the costs and allow for an easy collection of tolls. By limiting cash transactions at toll stations and eliminating cumbersome procedures, the service will also facilitate the application of the 'user pays' and 'polluter pays' principles. This is in line with the Commission's climate objectives and will contribute to the completion of the internal market and the digital single market.

The draft agreement must now be formally confirmed by both the Council and the Parliament before it can enter into force.

Rail

SPANISH TRACK ACCESS CHARGES RISE

The Spanish Infrastructure Manager ADIF has been requested by the Spanish Anti-Trust Authority CNMC to review its proposal to increase the track access charges in 2028.

This took place as reaction to ADIF's proposition to increase the track access charges in Spain from the current state of €0.2403/km to €4.5618/km in 2028, thereby representing a 22-fold increase in charges. ADIF has calculated the new fee based on the track use cost by rail freight operators which amounts to €116.4 million, which would be completely covered by the newly proposed charges. Interestingly, this increase comes in sharp contrast to the plans of lowering track access charges in Germany and the Netherlands, which were received with considerable appraisal from the Industry.



In its criticism of the new track access charge, CNMC noted that while the cost estimate is clear and based on a solid calculation method, ADIF failed to convene sufficient meeting with rail freight operators to consider their opinion.

As it was held that this increase may potentially impact the Spanish rail freight industry, CNMC requested ADIF to hold at least two further meetings with all rail freight operators who are active on the Spanish market and to consider their feedback before launching the final proposal. Furthermore, ADIF was asked to establish a refund and bonus system to avoid a situation in which the new fee could represent a barrier to the development of the rail freight industry. Resulting from that, ADIF is required to create competitive charges which do not place the weight of infrastructure maintenance costs on rail freight operators.

Source: [Railfreight](#)

Air

AGREEMENT ON SAFEGUARDING COMPETITION IN AVIATION

On 20 November, the European Parliament and Council reached a political agreement on the Commission's legislative proposal regarding new EU rules to safeguard competition in aviation.

The importance of this proposal had been underlined in the Commission's [Aviation Strategy for Europe](#), which was published in December 2015. The rules aim at ensuring that Europe remains a leader in international aviation, well connected to fast-growing markets.

The Commission welcomed the agreement reached, with Commissioner for Transport Violeta Bulc commenting: "The agreement on safeguarding competition in aviation ensures that aviation can continue to drive mobility, growth and job creation in the EU".

AGREEMENT ON AVIATION SECURITY PACKAGE

On 21 November, European Member States expressed their positive opinion on the Commission's draft aviation security package. The proposal includes a revision on background checks for aviation personnel intended to address "insider threats", which has been a priority point in the global agenda on aviation security of ICAO and of the European Union. Moreover, the proposal provides clarifications in the area of operations originating at small airports and for the screening of liquids, aerosols and gels (LAGs) and hold baggage as well as the introduction of standards for certain explosive detection equipment.

Brexit

DRAFT WITHDRAWAL AGREEMENT

A draft text on the post-Brexit relationship between Britain and the European Union was agreed paving the way for a summit on Sunday at which EU leaders could endorse the plan.



The [draft Agreement](#) on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community was published on 14 November 2018. The draft Withdrawal Agreement sets out the provisional terms of the UK's smooth and orderly exit from the EU. It reflects agreement in principle between the UK and EU negotiating teams on the full legal text.

On 22 November, European Council President Donald Tusk sent the EU27 Member States the [draft Political Declaration](#) setting out the framework for the future relationship between the EU and the UK that has been agreed at negotiators' level and agreed in principle at political level, subject to the endorsement of the Leaders. It provides instructions to negotiators that will deliver a future relationship by the end of 2020 covering an economic partnership, a security partnership and agreements on areas of shared interest.

The UK Government also published [Explanatory slides](#) on the Withdrawal Agreement and outline Political Declaration on the future relationship with the EU to support understanding.

UK FUNDING SCHEME TO SUPPORT BUSINESS FOR BREXIT

UK HM Revenue and Customs has issued some guidance for businesses that are interested in applying for funding to support them in completing customs declarations in preparation for the UK leaving the EU. Applications can be made as of early December 2018. The grants can be used by any company which can comply with the requirements for the funding, but it is mainly intended for customs brokers, freight forwarders and fast parcel operators. There are two types of funding:

1. Training Grants. These grants are meant for training that helps employees to complete customs declarations and processes. These grants apply for companies which are established in the UK or have a branch in the UK. However, it also includes companies which intend to complete customs declarations in the near future in the UK. So, service providers which are not established yet in the UK but are considering doing so, can also apply. The grant will give up to 50% of the cost of training for employees, up to a limit of £750 for each employee on a course. The training must give employees skills to complete customs declarations and processes, help other businesses with [import and export processes](#). The training does not have to lead to a formal qualification
2. IT improvements grant. For these grants, businesses must currently complete customs declarations for importers and exporters, have 250 employees or fewer and have an annual turnover of £50 million or less. The grant will give you up to €200,000 (the maximum amount of state aid available) to buy software that will help the business to complete customs declarations more efficiently. The software must be a ready-made solution – funding cannot be used to commission bespoke software. The funding can also be used to buy hardware that is needed for the software to run, install and configure the software and hardware, buy the first-year licence and train employees to use the software

PricewaterhouseCoopers (PwC) is administering the grants for HMRC. Companies will be able to find more information about the grants and apply on PwC's website. The link to apply will be published early December 2018.

Source: [UK Government, HM Revenue & Customs](#)



Customs

FREE MOVEMENT OF GOODS THROUGH EXTENDED MUTUAL RECOGNITION

The Austrian Presidency of the Council today reached a provisional agreement with the European Parliament on measures which will facilitate the circulation of goods across the EU.

The existing legislative framework does not allow businesses to rely sufficiently on the principle of mutual recognition when they enter new markets in other EU countries. Goods which are lawfully commercialised in one EU country are still occasionally denied market access in another EU country for no good reason. As a consequence, businesses tend to adapt their goods to the various requirements of each national market when trying to enter new markets which leads to unwarranted costs and delays.

The [draft regulation](#) is expected to improve the application of the principle of mutual recognition. It will clarify the scope of mutual recognition, introduce a mutual recognition declaration, establish a problem-solving mechanism, improve administrative cooperation and provide for the possibility of EU financial support.

The provisional agreement will have to be endorsed by the European Parliament and the Council before it is formally adopted.

NEW VAT GUIDELINES

The latest list of guidelines agreed by the VAT Committee was published on 15 November.

The new guidelines include the text of all the guidelines issued since the VAT Committee was set up. An index of guidelines is also made available. It links the guidelines agreed with the relevant provisions of the VAT Directive and comments upon them.

Source: [European Commission](#)

ANTI-FRAUD REPORT

On 22 November, the European Court of Auditors published its Opinion on the effectiveness of the European Commission's proposal to adapt the European Anti-Fraud Office's (OLAF) operations in light of the establishment of the European Public Prosecutor's Office (EPPO) and to improve OLAF's investigative procedures. The auditors identify remaining issues to be tackled, provide valuable recommendations for amendments and stress the need for further action.

Source: [European Court of Auditors](#)

BTI RECORD

On 26 September 2018, the Dutch customs authority issued a new Binding Tariff Information (BTI) decision, bringing the total number of BTI decisions registered in the EBTI-3 system to 1 000 000.



Since 1991 there has been steady growth in the numbers of BTI decisions issued annually so that at the end of 2018 there are more 250 000 valid BTI decisions stored on the EBTI database. BTI decisions are issued by the customs authorities of the Member States and are valid throughout the customs territory of the EU. On average, there are around 50 000 BTI decisions issued yearly by the EU as a whole.

Over the last years, in descending order, the five Member States that issued most BTI decisions systematically were Germany, France, the United Kingdom, the Netherlands and Poland.

Source: [European Commission](#)

General

EC COMMUNICATION ON THE SINGLE MARKET

On 22 November, the European Commission published its Communication "[The Single Market in a changing world - A unique asset in need of renewed political commitment](#)", which presents a fresh assessment of remaining barriers and opportunities for a fully functioning Single Market.

The key message of the Communication is that deeper integration requires more political courage and commitment than 25 years ago and greater efforts to close the gap between rhetoric and delivery. The Commission highlights three main areas where further work is necessary to deepen and strengthen the Single Market: swift adoption of key legislative proposals on the table, ensuring that jointly agreed rules work in practice and the need for the EU to show leadership and take the Single Market to a new level.

The Commission notes that, in the field of transport and mobility, numerous barriers still exist, and new competitors often face unjustifiable access restrictions in domestic rail and road services. Fragmentation of the transport market and gaps in social legislation are issues which concern primarily road transport. At the same time, insufficient interoperability as a result of diverging national requirements prevents competition in rail freight and international rail services from fully unfolding.

Source: [European Commission](#)

Forthcoming events

CLECAT MEETINGS

CITI Customs Indirect Taxation Institute meeting

31 January – 1 February, Brussels, Belgium

OTHER EVENTS WITH CLECAT PARTICIPATION

GLEC Meeting

27 November, Bonn



Commission Working Group on Urban Vehicle Access Regulations
29 November, Brussels

FEPORT Annual Conference
29 November, Brussels

Export Control Forum
13 December, Brussels

LEARN International Workshop
6-7 February, Brussels

EP MEETINGS

European Parliament Plenary Session
28 November, Brussels

European Parliament TRAN Committee
3 December, Brussels

European Transport Council
3 December, Brussels

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