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## Brussels news

### CLECAT ISSUES POSITION ON HDV CO2 STANDARDS

CLECAT has adopted a [position paper](#) on the [proposed Regulation](#) establishing CO2 Emissions Performance Standards for New Heavy-Duty Vehicles. The paper welcomes the proposal as the right step in enabling access to transparent, accurate emissions data. Standards will enable the widespread adoption of standardised technologies which will improve vehicles' fuel and emissions performance, driving down costs in the industry and contributing to an efficient, low-carbon logistics system.



The paper calls for the Commission proposal to be supported and strengthened by increasing the emissions reduction targets for 2025 and 2030 and taking measures to ensure that production of low- and zero-emission vehicles is boosted while also reducing emissions of traditionally-fuelled vehicles. This should be achieved through decreasing the cap on reductions by means of the zero- and low-emission factor to 2% and decreasing the maximum 'value' of a low-emission vehicle to 1.5 vehicles. The paper also notes that amendments to the manufacturer-specific emission target, following verification of vehicle emissions, must appropriately reflect the divergences found while respecting the fact that all HDVs are different, even within the same vehicle class.

CLECAT looks forward to the development of a Regulation which is ambitious, balanced and respectful of actual technological capabilities and investment cycles.

## SAVE THE DATE: 15 NOVEMBER - FREIGHT FORWARDERS FORUM

CLECAT's annual Freight Forwarders Forum entitled "**Customs, Trade and Skills – *What's the deal?***" will take place on the 15<sup>th</sup> November at the WCO in Brussels.



The customs and trade landscape as we have known it in recent decades is changing drastically. For many years, initiatives breaking down trade barriers through the expansion of the EU were successful, reducing duties and simplifying border procedures. Today, increasing political and social issues across the globe are reversing these efforts. Trade conflicts, Brexit, tax evasion, immigration, terrorism and threats to consumers and the environment are all realities that the European Union must face. Finding the balance between protecting society and facilitating compliant trade has become increasingly difficult.

The Forum will discuss these questions and give first hand insights from the European Commission, WCO and industry experts. Capitalise on this unique opportunity to learn about changes in trade and customs and the impact they will have on your sector.

More information will be available at the CLECAT conference webpages shortly, but for now **SAVE THE DATE!**

## SAVE THE DATE: 25 OCTOBER – SELIS WORKSHOP



On 25 October, the SELIS project is hosting a workshop on digital logistics, entitled "Digital Logistics – Taking the extra mile to transport collaboration" in Brussels.

The SELIS project, of which CLECAT is a member, aims to contribute to the development of a Shared European Logistics Intelligent Information Space. It consists of 37 European partners from 13 countries. SELIS' main objective is to develop a platform for pan-European logistics applications and to create a communication and navigation platform for the European logistic communities.

The workshop will provide an opportunity to gather a wide range of national and international logistics players around the greatest urban logistics challenges and having them participate actively in the debates that have been organized in order to foster commercial relationships and data sharing

The event will take place on 25<sup>th</sup> October from 10.00-16.00h at the office of SUMY (Avenue de Béjar 1A/E, 1120 Neder-Over-Hembeek, Brussels).

If you are interested in attending the workshop, you can register [here](#).

## EU-CHINA CONNECTIVITY PLATFORM

During the third meeting of the EU-China Connectivity Platform, which was chaired by Commissioner for Transport Violeta Bulc, China and the EU reaffirmed their commitment to transport connectivity on the basis of respective policy priorities, sustainability, market rules and international coordination.



The exchanges focused on the following main aspects:

- policy cooperation based on the Trans-European Transport Network (TEN-T) framework and the Belt and Road initiative (OBOR), involving relevant third countries between EU and China;
- cooperation on transport decarbonisation and digitalisation, including in international fora such as the International Civil Aviation Organisation (ICAO) and the International Maritime Organisation (IMO);
- cooperation on investment projects based on sustainability criteria, transparency and level-playing field to foster investment in transport between EU and China.

The jointly agreed minutes of the Chairs' meeting can be found [here](#). The list of European transport infrastructure projects presented under the EU-China Connectivity Platform are available [here](#). The short term action plan is available [here](#).

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## Road

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### PILOT PROJECTS FOR E-HDV START IN GERMANY

After pilot projects have been observed [in Sweden in 2016](#), Germany now also starts with similar tests on three route-strips for electrically-powered HDVs.

The most advanced project is a five-kilometres long part of the highway Autobahn A5 between Darmstadt and Frankfurt, which shall become functional in November according to the current planning. The plans foresee the beginning of test runs in early 2019 with 5 vehicles, which shall contribute to meeting Germany's climate targets.



This new system, which works through overhead lines on the right lane of the highway, will be compatible with HDVs utilising different drive technologies, including purely electrical and hybrid vehicles with diesel, bio-diesel, gas and batteries. Thereby, the vehicles will be able to recharge their batteries while driving under the overhead lines.

The trucks receive power from the overhead lines, which the pantograph-power collector that is on top of the truck automatically detects and docks onto once it drives underneath them. The trucks can freely connect and disconnect to the overhead lines without reducing their speed while they are in motion. Thus, when the driver changes onto another lane, the pantographs will simply disconnect.

The German Federal Ministry for Environment has provided funding of €45.3 million for the project and will provide further €5.1 million to finance the test runs at all three locations.

Source: [Verkehrsrundschau](#)



## PROHIBITION OF CABIN REST IN SPAIN

Starting 1st July, a new Spanish law came into effect which prohibits truck drivers from taking their weekly rest of more than 45 hours on board of the cabin. This comes in addition to the already existing prohibitions in Germany, the UK, France and Belgium.

CLECAT remains of the view that the total prohibition of regular weekly rest in the vehicle will disrupt a major part of the road transport industry, disrupt certain important transport routes and put the economic viability of many road transport SMEs at risk by increasing their costs.

CLECAT regrets the European Parliament's failure to find a compromise on regulation for the EU road transport included in the Mobility Package 1. Members of the European Parliament (MEPs) rejected in Plenary earlier this month the three proposals on posting of workers, driving and rest time rules and access to the profession and to the road haulage market. After the first vote on 14 June, MEPs had a second opportunity to find agreements but came forward with unbalanced reports showing limited willingness to find a compromise. CLECAT had issued strong support for the Compromise as the three proposals are strongly linked.

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## Rail

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### ERTMS ROLLOUT IN THE NETHERLANDS COSTLIER THAN EXPECTED

According to a new cost calculation of the Ministry for Infrastructure and Water Management in the Netherlands, the rollout of the European traffic control system ERTMS will cost an additional €1 billion. This new cost calculation is in line with the calculation made by the European Court of Auditors. In last year's report, the European Court of Auditors had stated that the rollout in the Netherlands would cost around €4.9 billion. In contrast to that calculation, the Dutch ministry had only reserved €2.4bn for the project. Following the ministries' progress report of May 2018, only seven to eight out of the originally planned twelve routes can be equipped with the available budget.

The deployment of the project has been criticised as too slow and too costly. The rise in costs stemmed from the set-up of a test lab, a test route, the training of drivers and additional costs for management, maintenance and replacement, resulting in total additional costs of €15-20 million.

Source: [Railfreight](#)

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## Brexit Update

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### EU COMMUNICATION ON BREXIT PREPAREDNESS

On the 19<sup>th</sup> of July, the European Commission has adopted a [Communication outlining the ongoing work on the preparation for all outcomes of Brexit](#). The text calls on Member States and private parties to step up preparations and follows a request by [the European Council \(Article 50\)](#) last month to intensify preparedness at all levels and for all outcomes.



According to the Commission, the UK's withdrawal will undoubtedly cause disruption – for example in business supply chains – whether or not there is a deal. As there is still no certainty that there will be a ratified withdrawal agreement in place on 30 March 2019, or what it will entail, preparations have been ongoing to try to ensure that the EU institutions, Member States and private parties are prepared for the UK's withdrawal. And in any event, even if an agreement is reached, the UK will no longer be a Member State after withdrawal and will no longer enjoy the same benefits as a member. Therefore, the Commission states that preparing for the UK becoming a third country is of paramount importance, even in the case of a deal between the EU and the UK.

The Commission strongly emphasises that preparing for the UK's withdrawal is not only the responsibility of the EU institutions. It is a joint effort at EU, national and regional levels, and also includes in particular economic operators and other private parties. The Commission said: “everyone must now step up preparations for all scenarios and take responsibility for their specific situation”.

Unless a ratified withdrawal agreement establishes another date, or the European Council unanimously decides that the Treaties cease to apply at a later date, all Union primary and secondary law will cease to apply to the United Kingdom from 30 March 2019. Stakeholders, as well as national and EU authorities, therefore need to prepare for two possible main scenarios:

- If the Withdrawal Agreement is ratified before 30 March 2019, EU law will cease to apply to and in the UK on 1 January 2021, i.e. after a transition period of 21 months.
- If the Withdrawal Agreement is not ratified before 30 March 2019, there will be no transition period and EU law will cease to apply to and in the UK as of 30 March 2019. This is referred to as the "no deal" or "cliff-edge" scenario.

It is currently planned that the Withdrawal Agreement will be agreed by the European Union and the United Kingdom in October 2018, accompanied by the political declaration on their future relationship. This will provide just sufficient time for the conclusion process in the European Union (Council with the consent of the European Parliament) and ratification in the United Kingdom.

Source: [EU Commission](#)

## UK CUSTOMS BILL

On Monday 16 July, Members of Parliament in the UK debated the remaining stages of the Taxation (Cross-border Trade) Bill in the House of Commons 2018. The Bill passed all of its Commons stages and now moves to the House of Lords for further consideration.

The [Taxation \(Cross-border Trade\) Bill](#) aims to create a new Customs tariff regime and make changes to VAT. It also contains trade defence measures to protect UK industry from unfair competition from abroad. [Various amendments](#) were made and adopted, which includes changes to the negotiating objective to maintain the UK's participation in the EU VAT Area. Among others it also includes new clauses which require tariffs set by the UK to be pegged to EU tariffs and a clause which prevents tariffs being imposed on goods originating from EU Member States.

Source: [UK Parliament](#)



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# Customs

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## FOLLOW-UP OF THE VAT ACTION PLAN

As a follow-up of the [Action Plan on VAT](#), the Commission services have put together a [Working Document](#) which incorporates into the VAT Directive the text of Commission proposal [COM\(2018\)329](#) with the technical amendments for a definitive VAT system.

On 7 April 2016 the Commission adopted an [Action Plan on VAT](#) – Towards a single EU VAT area. Following the adoption of this Action Plan, the European Commission has made a series of proposals to work towards its completion. The series started in October 2017 with a proposal of a series of [fundamental principles and key reforms](#) for the EU's VAT area. On 25 May 2018, the commission published its proposal on the detailed technical measures for the definitive VAT system.

The work of the Commission is going at a fast pace. The Commission and member states have already started to prepare for changes to both the VAT and Customs systems. The implementation of the new VAT system will have quite an impact on the activities of Freight Forwarders and Customs Brokers and their clients. For this reason, CLECAT will organise a dedicated Workshop on the VAT Action Plan on 26 July for its Members.

Source: [EU Commission, DG TAXUD](#)

## SAFEGUARD MEASURES ON STEEL PRODUCTS

On 18 July the European Commission has announced provisional safeguard measures concerning imports of a number of steel products. These measures will address the diversion of steel from other countries to the EU market as a result of the recently imposed US tariffs. The safeguard measures came into effect on Thursday 19 July. Traditional imports of steel products will not be affected.

The provisional measures concern 23 steel product categories and will take the form of a Tariff Rate Quota (TRQ). For each of the 23 categories, tariffs of 25% will only be imposed once imports exceed the average of imports over the last three years. The quota is allocated on a first come first serve basis, thus at this stage not allocated by individual exporting country. These measures are imposed against all countries, with the exception of some developing countries with limited exports to the EU. Given the close economic links between the EU and the European Economic Area (EEA) countries (Norway, Iceland, and Liechtenstein), they have also been exempted from the measures. These exclusions are compatible with both the EU's bilateral and multilateral World Trade Organisation (WTO) obligations.

The provisional safeguard measures can remain in place for a maximum of 200 days. All interested parties will now have the opportunity to comment on the findings of the investigation so far. The Commission will take these comments into consideration in order to reach its final conclusion, at the latest by early 2019. If all conditions are met, definitive safeguard measures may be imposed as a result.

Next to the safeguards announced this week, the EU three-pronged response to the US tariffs on steel and aluminium includes [rebalancing measures](#) targeting US imports, imposed on 20 June and a [legal action in the WTO](#) launched on 1 June.



Source: [EU Commission, DG Trade](#)

## EU AND JAPAN SIGN ECONOMIC PARTNERSHIP AGREEMENT

At the EU-Japan summit in Tokyo, Presidents Jean-Claude Juncker and Donald Tusk, and Japanese Prime Minister Shinzo Abe, signed on 17 July the EU-Japan Economic Partnership Agreement (EPA).

The trade agreement is the biggest ever negotiated by the EU and will create an open trade zone covering over 600 million people. The agreement will remove the vast majority of the €1 billion of duties paid annually by EU companies exporting to Japan and has led to the removal of a number of long-standing regulatory barriers, for example on cars. It will also open up the Japanese market of 127 million consumers to key EU agricultural exports and will increase EU export opportunities in a range of other sectors. The Economic Partnership Agreement will also in addition strengthen cooperation between Europe and Japan in a range of areas, reaffirm their shared commitment to sustainable development, and include for the first time a specific commitment to the Paris climate agreement.

The agreement is now awaiting ratification by the European Parliament and the Japanese Diet following which it could enter into force in 2019. At the same time, negotiations with Japan continue on investment protection standards and investment protection dispute resolution. The firm commitment on both sides is to reach convergence in the investment protection negotiations as soon as possible, in light of their shared commitment to a stable and secure investment environment in Europe and Japan.

Source: [EU Commission; DG Trade](#)

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## *Forthcoming events*

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### CLECAT MEETINGS

#### CLECAT WORKSHOP VAT ACTION PLAN

26 July, Brussels, Belgium

#### CLECAT CUSTOMS & INDIRECT TAXATION INSTITUTE

27 July, Brussels, Belgium

#### CLECAT/FIATA ROAD INSTITUTE MEETING

7 September, Prague, Czech Republic

#### CLECAT MARITIME INSTITUTE/DIGIT WORKING GROUP

11 September, Brussels, Belgium

#### FIATA WORLD CONGRESS

26-29 September, New Delhi, India

#### CLECAT Board/GA Meeting

14 November, Brussels, Belgium



FFF2018 – CUSTOMS, TRADE and SKILLS – What’s the Deal?  
15 November, Brussels, Belgium

## EP MEETINGS

European Parliament TRAN Committee  
29 - 30 August, Brussels  
6 September, Brussels

European Parliament Plenary Session  
10 - 13 September, Strasbourg

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