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## Brussels News

### COUNCIL REFLECTS ON EUROVIGNETTE DEAL



At the Transport Council which took place yesterday in Brussels, the Portuguese Presidency updated Transport Ministers about the [state of play](#) on the Eurovignette Directive. Considered as a priority for the current Presidency, the two informal trilogues and numerous technical exchanges between negotiators held since January 2021 helped reaching convergence in most technical aspects of the file, as well as some political provisions.

The Council has recently concentrated on finding a compromise on the controversial transitional obligation from time-based toll systems (vignettes) to distance-based systems. It is considered as the deal-breaker for the Presidency, as the Parliament wants to phase out this system completely, whereas some Member States such as Sweden, Austria, Estonia and Latvia call for flexibility for their national (time-based) systems. A third informal trilogue is scheduled to be held in the coming days. The Portuguese Presidency believes that a positive outcome might be feasible. It has been reported that there are efforts in the EP to remove a core element of the legislative text: The differentiation of the toll according to CO<sub>2</sub> emissions should be waived, with a view to the upcoming legislative proposals on emissions trading in road transport and energy taxation.

### TRANSPORT COUNCIL ADOPTS CONCLUSIONS ON SSMS

On 3 June, the Transport Council of the EU adopted [conclusions](#) on the Commission's Sustainable and Smart Mobility Strategy (SSMS). Transport ministers welcomed the Strategy, subscribing to its

ambitious vision for the transport sector and its contribution to sustainability over the coming years and decades.



Ministers recognised that an ambitious but balanced shift towards zero-emission vehicles, vessels, aircraft systems and fleets, requires an update of the EU legislative framework to facilitate the placing on the market and the take-up of alternative propulsion systems. This should be accompanied by the roll-out of supporting infrastructure, including the deployment of recharging and refuelling points for alternative fuels. The ‘polluter pays’ and ‘user pays’ principles should also be reflected in transport policy measures across all modes.

The Council urged for the completion of the core and comprehensive TEN-T network within the established timeframe (2030 for the core network, 2050 for the comprehensive network) by addressing missing links and bottlenecks. Ministers underlined that an appropriate level of financing, including EU, public and private funding, will be crucial to address the investment needs arising from an increased smart and sustainable ambition across different modes of transport. A number of ministers also agreed that while the transformation of the transport sector will be challenging, these challenges can be turned into opportunities that create more jobs and make the European economy more competitive and more resilient.

The Council conclusions are available [here](#).

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## Maritime

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### SHIPPING LINES MAY HAVE TO PAY GLOBAL MINIMUM TAXES



David Osler from Lloyd’s List [reported earlier this week](#) about the plans for a global minimum corporation tax which could force larger shipping companies to pay tax bills similar to those levied on other major industries for the first time ever. Carriers are seeking to remain exempted from a global minimum tax for multinational enterprises, within the context of the ongoing work of the OECD to reform the international tax system. They have been alerting governments to the special

character of their sector and the ‘longstanding consensus on the special privileges’ of the shipping sector.

The initiative is part of the [joint OECD-BEPS initiative](#) for a global minimum corporation tax to end tax avoidance. The political approval of such a fiscal regime from the world’s main industrialised economies could come in a matter of weeks, with discussions on the topic due to feature at the G7 meeting in Cornwall from 11 June.



Some governments, notably Singapore and the UK are calling for an exemption for shipping. The US is backing the OECD plans for a global minimum corporation tax. Germany is opposed to permitting industry-specific exemptions. If granted once, other industries will seek the same leniency, it is felt. 'At this moment, the status of shipping in the discussion is still unclear. There is the possibility that shipping will be excluded from a global minimum tax, but that is still on the table,' said the OECD's shipping expert Olaf Merck. 'In principle, if there is a global minimum tax, it should apply to all sectors. The argument that there has been a longstanding practice of shipping not being taxed is exactly the point of a global minimum tax.'

CLECAT is backing the OECD/BEPS initiative and has expressed the concern that shipping lines today benefit from a considerable favourable tax regime compared to others in the logistics supply chain. The analysis of the International Transport Forum shows that the effective tax rates for freight forwarders, logistics operators and port terminal operators is two to three times higher than that of the shipping sector as a whole. CLECAT therefore sees no justification for the shipping industry to be exempted from a possible minimum tax as proposed in the OECD/G20 Inclusive Framework.

## IMO AGREES ON NEW CO<sub>2</sub> REDUCTIONS BUT ONLY UNTIL 2027

The IMO's working group on greenhouse gases has decided that ships must improve their annual CO<sub>2</sub> intensity by 2% annually between 2023 and 2027 but could not agree to a reduction in targets going through to 2030, which was the original goal. Next month's IMO environmental committee needs to ratify the agreement for it to become official.

The proposed amendments to the MARPOL Convention would require ships to combine a technical and an operational approach to reduce their carbon intensity, in line with the Initial IMO [GHG Strategy](#), which aims to reduce carbon intensity of international shipping by 40% by 2030, compared to 2008. There are two new measures: the technical requirement to reduce carbon intensity, based on a new Energy Efficiency Existing Ship Index (EEXI); and the operational carbon intensity reduction requirements, based on a new operational carbon intensity indicator (CII). The dual approach aims to address both technical (how the ship is equipped and retrofitted) and operational measures (how the ship operates).

The agreed path falls well behind the objectives of the Paris Agreement. According to some NGOs, this would allow GHG to keep rising until 2030, and would only reduce carbon intensity by 11 percent by 2026.

Source: [IMO](#), [ShippingWatch](#)

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# Rail

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## RAIL AT THE FOREFRONT OF SMART AND SUSTAINABLE MOBILITY

On 3 June, the Council adopted [conclusions on putting rail at the forefront of smart and sustainable mobility](#). The conclusions express the Member States' shared ambitions for rail and provide guidance for several fields of work in this area, ranging from modal shift to investment and connectivity.

The Council recognised that the attractiveness and competitiveness of rail freight needs to be strengthened through the improvement of rail services adjusted to customer demands and the



effective optimisation of multi-modal solutions between rail and other transport modes. In that regard, progress should also be facilitated by effective cooperation among relevant Member States and among infrastructure managers.

Furthermore, Ministers noted that the growth of rail freight could be further enabled by progressing towards the completion of the Trans-European Transport Network (TEN-T) core network and the widespread deployment of the European Rail Traffic Management System (ERTMS), as well as through the coordinated deployment of new innovations, especially in the field of digitalisation and automation. In that regard, it noted that the digital exchange of information, including tracking systems, will represent a major step towards integrating rail freight into the supply chain, making rail freight a more reliable choice.

The full conclusions are available [here](#).

## EC APPROVES HUNGARIAN SCHEME FOR SINGLE WAGON LOAD

On 3 June, the European Commission approved, under EU State aid rules, an approximately €82 million aid scheme to support single wagon transport in Hungary. Single wagon transport is a form of freight transport, which is smaller and has less capacity of a full train. It requires the switching or shunting of wagons at departure or destination stations and at any intermediate station.

In Hungary, 10 to 12 million tons of goods per year are transported with single wagon transport (i.e. around one-fifth of all goods transported by railway). Under the scheme, which will run until 31 December 2025 and will be open to railway companies active in the single wagon transport sector, the support will take the form of direct grants. The aid aims at partially covering the costs related to rail infrastructure as well as other external costs incurred by the beneficiaries, such as accidents, pollution, congestion and climate change.

The Commission assessed the measure under EU State aid rules, in particular [Article 93](#) of the Treaty on the Functioning of the European Union and the [2008 Commission Guidelines on State aid for railway undertakings](#), and found that the scheme is necessary and proportionate to promote the use of rail transport.

Source: [European Commission](#)

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## Air

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## COUNCIL AGREES POSITION ON SINGLE EUROPEAN SKY

On 3 June, the Council agreed its [position](#) (general approach) on the reform of the [Single European Sky](#). The aim of the reform is to improve European airspace management and the air navigation services system in order to increase capacity, improve cost-efficiency and increase the system's ability to adapt to variations in traffic, while also trying to reduce aviation's CO<sub>2</sub> footprint.

The Council has expressed that it generally agrees on the key objectives of the Single European Sky package, consisting of an amended proposal for the recast of the Single European Sky regulation (SES 2+) and a proposal for a regulation amending the EU Aviation Safety Agency (EASA) basic regulation,



namely: the reform must reinforce safety, respond to capacity needs and help cut emissions, while being cost-effective.

However, the Council notes that its position differs from the Commission's proposal concerning how these goals should be achieved, i.e. resulting in diversions from a number of provisions introduced by the Commission in its proposal. The differences relate particularly to the independence of the air navigation service providers, the necessary certificates, the conditions for the opening of certain air navigation services, the applicability of charges and the role of the network.

The agreement on the Council's general approach allows the Portuguese Presidency of the Council to launch talks with the European Parliament on the final text. The European Parliament is expected to adopt its position in the Transport and Tourism (TRAN) Committee in the course of the month.

Source: [Council of the European Union](#)

## DSLVL CALLS FOR SUPPORT FOR GREENING AIR FREIGHT

On the occasion of the joint digital industry discussion 'Air Cargo and Climate Protection' with the Federation of German Industries (BDI) and the Federation of German Air Transport Industries (BDL), DSLVL, the German Freight Forwarders' Association, has made a call for speeding up investments and efforts to achieve CO<sub>2</sub> neutral airfreight. The association is calling for more technological progress for sustainable fuels for air transport. Their market ramp-up must be accelerated by international, or at least European, binding regulations and incentive programmes. Policymakers, in cooperation with the players in the air freight supply chain, must cooperate in support of greening air transport. Apart from the Single European Sky, the upcoming revision of the European Renewable Energy Directive (RED II) will also be crucial in ensuring that the considerable additional costs for blending sustainable aviation fuels (SAFs) are spread evenly across the European air freight industry.

The press release is available on [DSLVL's website](#).

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## Customs and Trade

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### ADVANCING AEO PROGRAMMES GLOBALLY



From 25 to 27 May, Dubai Customs and the Federal Customs Authority (FCA) of the United Arab Emirates (UAE) hosted virtually the 5<sup>th</sup> WCO Global AEO Conference, which aimed to re-establish the importance of Authorized Economic Operator (AEO) programmes and help to shape the vision of AEO 2.0.

Under the theme "AEO 2.0: advancing towards new horizons for sustainable and secure trade", the Conference highlighted the importance of the WCO SAFE Framework of Standards as a unique instrument designed to secure and facilitate global trade, especially through sound partnerships with AEO companies and other government agencies (OGAs), and that reinforcing this collaboration to enhance supply chain sustainability and expedite the post-pandemic recovery was critical. It was recognised that the main challenges with current AEO programmes was a lack of harmonization due to various factors, including the level of automation,



physical security, environmental aspects and the question of a guarantee. In that regard, the event addressed the importance of digitalization, leveraging new technologies, emerging threats and the significance of data exchange.

The Conference looked at building trust for genuine partnerships in AEO programmes and Mutual Recognition Arrangements/Agreements (MRAs) and at the vital capacity building needs to ensure that Customs and business are able to flourish. It was stressed that AEO was key to facilitating and securing trade but that implementing an AEO programme required trust. Customs administrations should therefore try to establish a meaningful dialogue with private sector stakeholders, understand their concerns and fully inform them of what to expect from an AEO programme.

Source: [World Customs Organization](#)

## EU PROPOSES MULTILATERAL TRADE RESPONSE TO PANDEMIC

On 4 June, the EU submitted a proposal seeking the commitment of World Trade Organization (WTO) members for a multilateral trade action plan to expand the production of COVID-19 vaccines and treatments, and ensure universal and fair access. With its proposal, the EU underlines the WTO's central role in the response to the COVID-19 pandemic and urges fellow WTO members to agree on a set of commitments, including on intellectual property rights.

In particular, the EU calls on governments to ensure that COVID-19 vaccines, treatments and their components can cross borders freely, which aims to limit the use of export restrictions and keep supply chains open. The EU also urges governments to encourage producers to expand their production, while ensuring that those countries most in need of vaccines receive them at an affordable price; and to facilitate the use of compulsory licensing within the WTO's existing Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Source and more information: [European Commission](#)

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## *Forthcoming Events*

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### CLECAT MEETINGS

CLECAT Air Logistics Institute

8 June 2021, Online

CLECAT Security Institute

8 June 2021, Online

CLECAT Maritime Logistics Institute

14 June 2021, Online

CLECAT Board

22 June 2021, Online

CLECAT General Assembly

22 June 2021, Online



CLECAT Rail Logistics Institute  
23 June 2021, Online

CLECAT Road Logistics Institute  
7 July 2021, Online

## EU MEETINGS

### Council of the European Union

Environment Council  
21 June 2021, Luxembourg

### European Parliament

European Parliament Transport Committee  
16-17 June 2021, Brussels

European Parliament Plenary  
7-10 June 2021, Brussels

#### Contact

**Nicolette van der Jagt**  
Director General CLECAT

Rue du Commerce 77, B-1040 Brussels, Belgium

Tel +32 2 503 4705 / Fax +32 2 503 47 52

E-mail [nicolettevdjagt@clecat.org](mailto:nicolettevdjagt@clecat.org) / [info@clecat.org](mailto:info@clecat.org)

 @CLECAT\_EU  
[www.CLECAT.org](http://www.CLECAT.org)

