European Association for Forwarding, Transport, Logistics and Customs Services

Draft Minutes
CLECAT Air Logistics Institute Call
15 May 2020
11.00 – 12.00
WebEx Call

Attendees:

Lothar Moehle	DSLV, Chair
David Stroud	BIFA
Andreas Wilhelm	DSLV
Antonella Straulino	FEDESPEDI
Ben Radstaak	FENEX
Martín Fernández	FETEIA
Anna Haakana	FIFFLA
Damien Vinet	TLF
Mehmet Özal	UTIKAD
Nicolette van der Jagt	CLECAT Secretariat
Constantino Canu	CLECAT Secretariat

Apologies:

Willem van der Schalk	CLECAT President
Florent Noblet	TLF, Vice-Chair
Niels Beuck	DSLV
Stefanie Erdmann	Forward Belgium

1. Welcome and CLECAT Competition Statement

The Chair of the Institute, Mr Lothar Moehle, welcomed the delegates to the Online Meeting.

It was noted that CLECAT follows its obligations under competition law at all times during its meetings, including virtual meetings. Mr Moehle read the competition statement:

"CLECAT is a non-profit Association committed to compliance with Competition Law at all times. Discussion at all CLECAT meetings is confined to deliberation on industry interests with regards to EU legislation in transport, logistics and Customs services, as well as Association affairs and related legislation. The Association, its Secretariat and all CLECAT Chairpersons will not entertain discussions on matters likely to contravene competition law, either within or outside of meetings. Commercial discussions, such as those regarding prices, market volumes or areas, are strictly prohibited. In the unlikely event that deliberations appear not to be in line with this policy, the Chairpersons or the Secretariat will be obliged to break off the meeting at once."

2. Adoption of the draft agenda

The draft agenda was adopted.

3. Adoption of the minutes

The draft minutes of the call held on 24 April 2020 (CLECAT Circular 2020/102 refers) were adopted.

4. COVID-19

a) Update on national developments and the impact of COVID-19 on air freight transport

Mr Moehle invited the Members to report on national developments and the impact of COVID-19 on air freight transport logistics and the forwarding industry.

Netherlands: Mr Radstaak reported that more passenger aircrafts were used for cargo-only operations with in most cases, only the belly loaded. He referred to problems of Ground Handling Agents (GHAs) with the loading of boxes at passenger level. This was especially problematic when the packages would need to be stowed in the overhead compartment or under the seat, often due to the weight of the package. ACN had contacted IATA on the possibility of setting standards for the maximum weight of packages being loaded manually into the passenger level of aircrafts during the crisis. He further explained that IATA recommended working in lines of workers, who would pass the boxes onwards in a chain, rather than having each worker go in and out of the aircraft. The recommended weight for boxes in that type of work would be 10kg. ACN was continuing these discussions in view of possibly adopting a global standard at IATA level.

He noted that the number of full freighters used was high, with total capacity being approximately 1/3 less than usual at the time. The production on several markets was very low, with the flower market having picked up slightly due to Mothers' Day. The fruit and vegetable markets were facing a lack of capacity and high rates.

Various social distancing measures were in place, including the utilisation of 'keep your distance'-devices in warehouses. These were small devices worn by workers on their shoulders, which would emit a sound when the required distance to other workers was not met.

Efforts were also being made in digitising paperwork and doing as much as possible electronically, within the remit given by the European Commission's guidelines. This included the provision of digital copies for certain certificates, which was also requested by CLECAT. Mr Moehle added that the work that had been done by the Commission in that regard was good, but that much depended on the correct implementation by the Member States.

Italy: Ms Straulino noted that there had not been many changes in Italy. Generally, some shops would re-open as of Monday, 18 May, with some restrictions in place. This included social distancing and using personal protective equipment (PPE). No clear instructions had been received from the Ministry so far on possible changes to freight transport, including road transport. For the time being, drivers needed to make self-declarations and submit them to a contact point. There was no information on whether this would be extended. A further issue concerned the recent nationalisation of Alitalia. The government was discussing an additional aid of €3 billion to get the airline running again, which was strongly opposed by FEDESPEDI and ANAMA. Their rationale was that large sums of money had already been invested by the government into Alitalia, and it was deemed to be unlikely that the company would become lucrative at some point. If that would go on nonetheless, they noted that the focus should be put on cargo operations, as these proved to be successful, while the passenger operations were not.

United Kingdom: Mr Stroud reported that the Prime Minister had announced on 10 May that the manufacturing and construction sectors could resume work as of 13 May. Many freight forwarders, while being key workers, were working from home. The effect on the industry would depend on the amount of production and the respective speed of manufactures. For the time being, the majority of manufacturing was concentrating on PPE, while there was a marginal amount of manufacturing of goods for the general industry. The re-opening of the hospitality sector was presumed to take place in July, at the earliest. Moreover, the government was developing a tracking-application for phones for the identification of possible infections. However, it would need the uptake of 2/3 of the population to work. Ms Straulino noted that a similar initiative existed in Italy, however, it was unclear how this would move forward due to data protection issues.

France: Mr Vinet reported that since 1 April, there had been a major drop in air freight capacity in France, mainly due to the cancellation of passenger flights. A significant increase in the utilisation of full freighters had been perceived, especially at Charles de Gaulle Airport (CDG) and Châlons Vatry Airport (XCR). The increase in volumes was especially noticeable at Châlons Vatry Airport, serving Châlons-en-Champagne in north-eastern France, which had managed 4.000 tonnes of air freight in Q1 2020. In comparison to that, it had only managed 2.000t in 2019. The increase in volumes was also due to an increase of charter-flights from China.

It was also reported that Paris Orly Airport (ORY) had temporarily closed on 31 March and all flights had been transferred to CDG Airport. The situation proved to be problematic, as there were difficulties in providing the French Overseas territories with supplies. It was unclear whether the airport would be re-opened in the end of June or in September 2020. The decision to re-open lay within the competence of the French Transport Ministry. While the airport had no wish to re-open if there was no business case, several airlines urged for a timely re-opening of the airport. This was mainly due to foreseen touristic activity, as Orly Airport connected France with the Maghreb countries and French Overseas territories.

There had been a lot of discussions with the French government on air freight during the past two months. Simultaneously, awareness on the importance of air freight for society was raised in the media. The Air Cargo France Association (ACFA) had also contributed significantly to improve cooperation amongst stakeholders.

Mr Vinet also noted that TLF-Overseas had started working on four topics within the air cargo community: 1) Improvement of cargo handling, 2) improving the Cargo Community System (CCS) Cargo Information Network (CIN), 3) addressing the handling of fresh produce, and 4) ensuring sustainable development. In view of the fourth topic (sustainable development), the community at CDG airport would start a cleaning project at the airport. This should visualise the state the airport was in at the moment and emphasise the importance of a clean environment, as well as the importance of everyone's contribution thereto. Moreover, a global strategy to reduce waste generated by the air freight community would be introduced.

Turkey: Mr Özal reported that air freight had been the preferred mode of transport for critical goods, leading to a high demand for air freight capacity. This was mainly due to delays and restrictions in road- and sea-freight. While April was calmer, demand had increased again as of early May, mainly due to the export of fresh vegetables.

He noted that Turkish Cargo had moved back its operations to Atatürk Airport. Atatürk Airport was operating with only one runway, as the other one had been demolished for the construction of a hospital. The new Istanbul Airport had been closed until the beginning of May due to construction work on a damaged runway. In the meantime, the works had been completed and the airport was functional again for cargo operations. Moreover, Turkish Cargo was also using passenger aircrafts for cargo-only operations. The normalisation for passenger flights was expected to start in May or June.

Mr Özal noted that he had received many requests from his members asking for an extended payment period under IATA CASS. He was preparing a letter to IATA in that regard and enquired about similar requests from CLECAT Members. Mr Moehle explained that TLF, as well as FIATA, had launched a request in that regard. Both had been denied by IATA. Instead, a grace period of 10 days would be available. Mr Özal would send a request to IATA on behalf of UTIKAD and inform the Secretariat about IATA's response.

General measures taken in response to the COVID-19 outbreak included closing businesses for the weekend, accompanied by the hospitality sector being closed with no foreseeable date for its re-opening. Travel restrictions were still in place between big cities.

Spain: Mr Fernandez reported that there were two regulatory issues in Spain: The first concerned a mandatory 14-day quarantine, which any foreigner coming into Spain would have to undergo. This did not apply to cross-border transport workers and crew and had therefore no effect on freight transport. The second issue concerned the re-establishment of controls on internal air borders. He explained that this did not apply to cargo transport agents but would only have an impact on tourism. He further noted that Spain was importing large quantities of medical products and food. However, there were few imports of general commercial products.

General measures taken in response to the COVID-19 outbreak included the re-staring of local activity, which was split into different phases. In bigger cities like Madrid and Barcelona, the general rule was to stay home as much as possible. Work could resume but restaurants and shops remained closed. In smaller cities, the hospitality sector was allowed to slowly re-open, while respecting social distancing. The government was re-evaluating the situation on a weekly basis.

Germany: Mr Moehle reported that Lufthansa was still in negotiations with the German government regarding possible financial aid. The government was willing to help but expected to become one of the main shareholders in return, which Lufthansa vehemently refused for the time being. Lufthansa was also planning to re-open some international flights. Restarting production proved difficult for some businesses, due to imbalances in supply and demand.

Regarding general measures, he noted that it was allowed to enter into a different Member State in the border regions with the Benelux countries and France for up to 72 hours. Where this time was overstepped, the mandatory 14-day quarantine applied.

Mr Wilhelm added that the borders should be reopened in line with the Schengen Treaty as of 15 June. The German and Swiss government were cooperating on the introduction of possible facilitations. He added that there were also disruptions with international flights coming into the EU from Asia, where re-scheduling to other carriers became necessary.

b) Update on new measures taken at EU-level in response to the crisis

Mr Canu reported that the COVID-19 Task Force had welcomed the input provided by CLECAT on air freight capacity. He provided an update on the measures that had been taken at EU-level in response to the crisis since the last meeting (24 April).

He noted that on 29 April, the European Commission had adopted a package of measures to provide relief to the transport sector on 29 April, including an aviation specific proposal. The aim was to remove administrative burdens and increasing flexibility. It included provisions on Groundhandling Agents (temporary extension and re-appointment), air carrier licensing (temporary financial relief), as well as a temporary derogation from the emergency provisions on air traffic derogatory measures (extension beyond 14-days).

Moreover, he explained that the Commission had proposed amendments to EU AVSEC legislation, to ease the burden on the industry. These proposed amendments implemented the suggestions that had been made by CLECAT

Lastly, he noted that the Commission had published a Transport and Tourism Package on 13 May, which focused mainly on tourism, but included some references to freight transport. It called for the measures and recommendations on freight to stay in place as long as possible. Mr Canu also referred to the dedicated website of DG MOVE, which provided updates on restrictions on transport by the EU Member States.

5. Date and Place of the Next Meeting

Mr Moehle noted that the next regular Institute meeting would be held on 16 June, as agreed on 3 March 2020. An invitation and the draft agenda would be communicated in due time.