ECG News

ECG – The Association of European Vehicle Logistics

Issue 12.43, 29th October – 02nd November 2012

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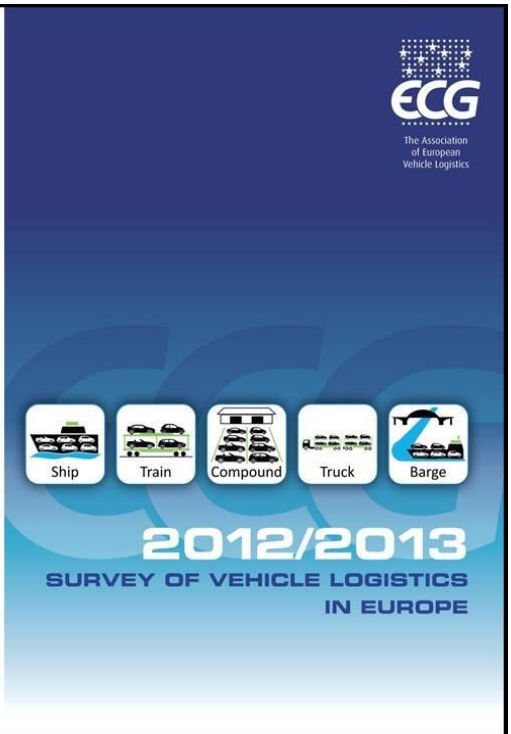

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NEWS FROM BRUSSELS

The 2012 ECG Conference report and pictures are now available on:
http://www.ecgassociation.eu/Activities/ECGAnnualConference/ECGConference2012.aspx

ECG has signed the EC declaration in support of the Connecting Europe Facility

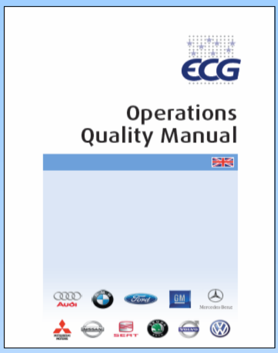
(Source: ECG & TEN-T EA, 30th October 2012) The future of the Connecting Europe Facility (CEF), the funding instrument designed to build and complete the railways, ports, maritime transport links, airport links, energy grids, pipelines, Intelligent Transport Systems (ITS) and broadband networks in the European Union is being decided now, with EU's 2014-2020 budget negotiations entering a crucial phase. On 22nd November 2012 Heads of State and Government will meet in a special summit in Brussels to decide on the next multi-annual EU budget. A lot is at stake, including the proposal to allocate €50bn to the CEF to trigger investment in the European transport, energy and digital networks. In April 2012 more than 25 European transport organisations *[including ECG]*, covering all modes and nodal points already took the initiative to urge EU policy makers to safeguard the €32bn budget that has been allocated to EU transport infrastructure within the CEF. As the November summit gets closer, CEOs from Europe's leading businesses have signed a declaration published by the European Commission, underlining the need for Europe to “connect to compete” and calling on Heads of State and Government to support the Connecting Europe Facility. On top of the “First Signatories” list features Emanuele Grimaldi, CEO of ECG-member **Grimaldi** Shipping Lines. ECG has also signed the declaration and other ECG members may wish to sign it as well as the process is straightforward and available online.

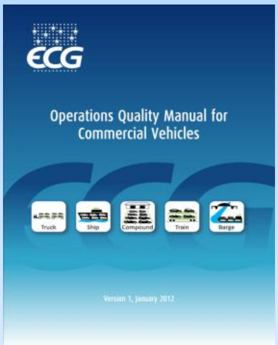
To view the EC declaration and its signatories please click on the following link: http://ec.europa.eu/commission_2010-2014/kallas/connecting-europe-facility/index_en.htm

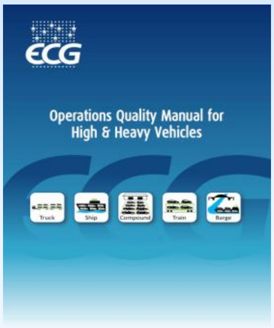
Conference on (faster) deployment of ITS in Europe

(Source: EC DG MOVE & ECG, 30th October 2012) Progress in implementing Intelligent Transport Systems (ITS) across the EU was discussed on 22nd October in Vienna, at the annual ITS conference organised by the European Commission (EC), and officially opened by Vice-President Siim Kallas. The conference *[which ECG attended]* looked at how ICT technology can help to solve many problems affecting transport, focusing on what measures could lift existing barriers. The Commission explained the main elements of the first ITS specifications adopted under the 2010 ITS Directive. These technical specifications concern: eCall, traffic information relating to road safety, and information services for safe and secure parking for trucks and commercial vehicles. The event also welcomed the winners of the first Smart Mobility Challenge [*which seeks to realise a European multi-modal journey planner, both for passengers and freight*] and discussed legal barriers to the deployment of such intelligent transport systems. This 3rd ITS conference brought together 300 high-level representatives from institutional stakeholders, industry, public and private transport operators and service providers, as well as local governments and other key ITS experts in the European Union and beyond. The EC-organised conference was followed by the opening (attended by over 1.500 participants) of the 19th ITS World Congress, organised among others by ERTICO – ITS Europe, to which all participants of the ITS Conference were kindly invited.

The ECG Operations Quality Manuals for PCs and LCVs, CVs and H&H are available on-line!







- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

For comments or inquiries please contact: info@ecgassociation.eu
T: +32 2 706 82 80

To view the programme and conference material, please see:
http://ec.europa.eu/transport/themes/its/events/2012_10_22_its_conference_en.htm

For information on the 19th ITS World Congress, please see:
http://2012.itsworldcongress.com

ECG Note: While awaiting the conference-presentations which should be published on the EC-website soon, an internal report of the event is available at the ECG Secretariat for interested members.

EC launches public consultation on e-Freight Initiative

(Source: EC DG MOVE, 26th October 2012) On 26th October the Commission's DG MOVE launched a public consultation on the EU e-Freight Initiative, which aims to help improve the efficiency of freight transport and thus contribute to growth and competitiveness. Through supporting the achievement of the missing link between different information tools and the facilitation of seamless information flows and thus transport of goods across modes and countries, it will simplify the organisation and execution of freight transport across modes and countries, and therefore contribute to unifying the European Transport Area. The EU has been for many years actively supporting a policy of efficient and sustainable uni-modal and multi-modal transport logistics chains, for which accompanying seamless information flows is a prerequisite. While progress in this respect has so far mostly taken place at an individual mode level in terms of vertical integration and interoperability, often triggered by traffic management needs and public reporting requirements, the additional challenge lies in the horizontal integration and interoperability of information and information exchange across several transport modes. The White Paper on Transport adopted in March 2011 has therefore proposed action n°7 on multi-modal transport of goods - e-Freight. It will support the development of an overall framework for information exchange between the different actors in the transport logistics chain in combination with the necessary standards, administrative, governance and legal provisions. It will allow for entering information only once in the whole logistics chain for planning, execution, monitoring and reporting purposes; retrieve information on vehicle position and network status from modal traffic information and management systems (co-operative systems such RIS, ERTMS/TAF TSI, SafeSeaNet/e-Maritime, road ITS, SESAR); develop a structure for the use of information coming from tracking and tracing technologies as well as for intelligent cargo applications; support the development of interoperable information and booking tools (such as multi-modal journey planners for freight) for an optimised use of multi-modal transport possibilities. This will allow for a more efficient information exchange, and therefore a more efficient freight transport, and will simplify the use of multi-modal and cross-countries freight transport. This consultation *[available until 17th January 2013]* aims at collecting views on the e-Freight initiative in order to assess the possible actions that could help meet the above mentioned objectives.

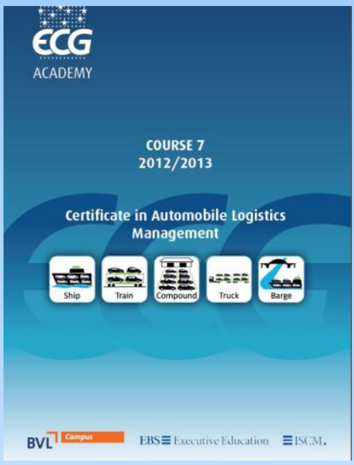
For more information as well as to access the questionnaire *[which ECG plans to respond to]* and the other consultation documents, please see:
http://ec.europa.eu/transport/media/consultations/2013-01-17-efreight_en.htm

October European Transport Council conclusions

(Source: EC and Council of Ministers, 30th October 2012) The EU's Council of transport ministers chaired by Cypriot Minister Florentzou met in Luxembourg on Monday 29th October. Vice-President Siim Kallas, responsible for transport and mobility, represented the European Commission in the discussion on, among others, the Maritime Labour Convention, tachograph and roadworthiness tests. On 23rd March 2012, the Commission transmitted to the European Parliament and to the Council the two proposals relating to the enforcement of the

ECG Academy

Course 8 will commence in October 2013.



This practice oriented course takes place over **five modules**, 19 days of intensive training. The modules are held at different locations in Europe to give the participants insights into practical realities of the different elements that make up vehicle logistics.
It is targeted at both experienced practitioners and new entrants to the supply chain management.

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International Maritime Labour Convention of 2006. The Council agreed a general approach on these two draft directives laying down the responsibilities of flag states, on the one hand, and port states, on the other. The goal of the Maritime Labour Convention is to guarantee decent working and living conditions on board ships and to limit social dumping, thereby securing fair competition for ship-owners who respect seafarers' rights. The Council also reached a political agreement on a new regulation on the tachograph used in road transport, essentially confirming the general approach agreed by the Council in June this year. The new draft legislation, which will replace the 1985 tachograph regulation, is designed to make fraud more difficult and to reduce the administrative burden, notably by introducing a satellite-linked "smart tachograph" which automatically records the driving time of professional drivers in a tamper-proof way. Furthermore, the Council held a debate on a proposed update of the common rules on periodic roadworthiness tests for motor vehicles, intended to improve road safety and protection of the environment. The results of the debate will give guidance for the ongoing work on this proposal which focuses on high risk vehicles, including powered two wheelers, older vehicles and vehicles with high mileage. The proposal aims to increase road safety by strengthening control standards through harmonisation of test items and methods including those for electronic safety components, minimum requirements for equipment and skills of personnel and harmonisation of the definition of defects. The Council also adopted without discussion the directive establishing a single European railway area, which modernises the regulatory framework for Europe's railway sector, contained in the three directives of the "First Railway Package" of 2001. The Ministers approved as well the directive on sulphur content of marine fuels *[to read more about the latter topic please see the article below and the Tranport Council press release under the "Press Releases" section of this ECG News issue].*

EU ministers back cuts in shipping fuel emissions

(Source: Euractiv.com, 30th October 2012) Tough new sulphur limits for shipping fuel will be phased in across EU waters as part of European Union's efforts to free the air of toxic chemicals that shorten thousands of lives. EU transport ministers backed the rules on Monday 29th October, in a final stage of the process before official publication of the law. From 2015, the maximum sulphur content of shipping fuels will be cut by 90% to 0.1% in restricted Sulphur Emission Control Areas (SECAs), which include some of Europe's busiest waters, versus 1% of mass now. Outside the controlled areas, an International Maritime Organization limit (IMO) of 0.5% will be mandatory in EU waters by 2020. That compares with the current 3.5% for cargo vessels and 1.5% for passenger ships. Shipping fuels with a high sulphur content lead to emissions of sulphur dioxide and particulate matter. The sulphur dioxide causes health problems and acid rain. The microscopic particles can lead to life-threatening health-problems such as lung cancer and cardiovascular disease, European environment officials have said. The European Commission has said it plans to review air quality laws next year to bring EU limits on pollution levels closer to the stricter World Health Organization (WHO) recommendations on safe levels of pollutants. While many pollutants are a relentless problem, EU rules have already reduced sulphur dioxide emissions. Environmental campaigners say the new legislation is progress, but more is needed. The shipping specialist for the environmental group, Transport and Environment, Antoine Kedzierski, said: "Today's Council decision on sulphur (SO_2) in marine fuels is an encouraging first step to clean up shipping emissions to air that cause 50,000 premature deaths every year in Europe. But we must stress that it's only a first step – there are a lot of emissions problems in shipping that still have to be tackled quickly, notably greenhouse gases and nitrogen oxides (NOx). When it comes to air pollution, the EU should follow the USA and Canada by making the entire EU coastline a low-SO_2 and low-NOx zone, and by ensuring that emissions targets are properly met."

ECG AGENDA

►**ECG closed 1st & 2nd November** – Public holidays

►**UK & Ireland Regional Meeting** on **13th November**, in Birmingham, UK

►**ECG Board Meeting** on **27th & 28th November**, in Barcelona, Spain

►**ECG Academy Module II** on **4th - 8th December** (TBC) in Bremen, Germany

►**ECG closed** on **24th December – 1st January 2013** inclusive

►**ECG closed** on **1st April 2013**

►**ECG closed** on **1st – 9th & 20th May 2013**

►**ECG Spring Congress & General Assembly** on **23rd & 24th May 2013** in Dublin, Ireland

►**ECG Conference** on **10th & 11th October 2013** in Berlin, Germany

ECG Note: See also the Council press release on the topic under the "Press Releases" section of this ECG News issue.

Stakeholders invited to assess objectives and measures of future EU ports policy

(Source: ESPO, 30th October 2012) The European Commission issued on Tuesday 30th October its second stakeholder survey on ports policy. The survey follows a high-level conference held last September *[which ECG attended]*, during which the preliminary results of an overall business survey were presented. That survey found that 70 to 80% of the respondents did not see any major challenges for port services in Europe. The new survey seeks views more particularly on the objectives to be pursued at EU level, possible policy measures to achieve these objectives and the related impacts of the proposed policy measures. The questionnaire is run by PwC and Panteia (former NEA). The list of potential policy measures broadly focuses on market access and transparency. It contains measures on market access to port services, public service obligations in ports, national administrative conditions on market entry, transparency of financial relations between public authorities and port authorities, the setting of port service charges, the sustainable functioning of the port labour market, quality requirements for port service providers, improvement of user satisfaction, measurement and monitoring of port performance, training and qualification of workers, health and safety of workers and transfer of staff in the case of transfer of undertakings. "It is good that the Commission provides this opportunity to assess the policy options at hand, since some of the listed measures would clearly be very controversial", said European Sea Ports Organisation (ESPO) Secretary General Patrick Verhoeven, "For us, it is important that Europe's policy for ports remains proportional to the high satisfaction rate that the first survey demonstrated. It should also support the developer role of port authorities, rather than constrain it. We will therefore provide a co-ordinated response from ESPO, highlighting both the positive and the negative impacts that the proposed measures would have. We will also remind the Commission of measures it hasn't explicitly included in the questionnaire, such as State aid guidelines." The survey runs until 16th December and is part of the overall impact assessment of the ports policy review. It is expected that a new Ports Policy Communication will emerge in spring next year, which may be accompanied by specific measures. The nature and extent of these measures is however not determined yet.

To access the second stakeholder survey on ports policy please click here: http://iaportserviceenhancementphase2.questionpro.com/

To know more about the conference on the European ports policy review please click here:
http://www.portsconference2012.eu/conference-documents.html

AUTOMOTIVE INDUSTRY

Japan, US, France, Germany and China are top 5 markets in EV readiness

(Source: Cars21.com, 30th October 2012) In an EV market report by McKinsey, Japan, the United States, France, Germany and China are ranked as the top 5 countries in terms of EV market maturity level in 2012. The sales of electric vehicles witnessed positive growth in the United States and Europe in the second quarter of 2012. The sales amounted to 7,931, a 28% growth compared to the first quarter. The sales of EVs in the UK also increased 28%, from 410 in the first quarter to 523 in the second quarter. In the French market, the sales increased 16% from 1,775 in the first quarter to 2,056 in the second quarter. Similarly, the total sales of EVs in Germany was 1,284 in the second quarter of 2012, having

Events in Brussels

"Unbundling in the railway sector: does one size fit all?" Event by CER, on 5th November 2012 (www.cer.be)
ECG will attend

"Inland Waterways – All Hands on Board!" by Pomorskie Regional EU Office, on 7th November 2012
ECG will attend

"E-Maritime Annual Conference 2012: Connecting the maritime world - towards 2020" by EC DG MOVE, on 22nd-23rd November 2012 (http://www.emaritime.eu/conference2012/)
ECG will attend

TEN-T Days by EC DG MOVE, on 27th-28th-29th November 2012 (http://ec.europa.eu/transport/media/events/2012-11-save-the-date_en.htm)
ECG will attend

European Transport Business Summit – "Connect to Compete" by EC DG MOVE, on 27th November 2012 (http://ec.europa.eu/transport/media/events/2012-11-27-business-summit_en.htm)
ECG will attend

"Beyond just fossil fuels: future sustainable energy options for road transport." Event by Forum for the Automobile and Society, on 27th November 2012 (http://www.autoandsociety.eu)
ECG will attend

Conference on Fair and Efficient Road Pricing by EC DG MOVE, on 5th December 2012 (http://ec.europa.eu/transport/modes/road/events/2012-12-05-road-pricing_en.htm)
ECG will attend

Transport Policy Event by ACEA, on 6th December 2012 (www.acea.be)
ECG will attend

increased by 5% compared to the first quarter. In the same period, the sales of Asia's two biggest EV markets, namely Japan and China trailed behind the US and Europe. The sales of EVs in Japan and China actually dropped by 16% and 31% respectively. Japan sold 4,240 EVs in the second quarter compared to 4,849 in the first quarter. China only sold 235 EVs. Based on the evaluation of six parameters, the report argues that China has fallen behind other markets in terms of overall readiness to support an EV industry. China fell in the ranks from third place in July 2010 to fifth in February 2012, behind Japan, the US, France and Germany. McKinsey's ranking of the EV market maturity level is not merely based on EV sales, but on the evaluation of a country's readiness to support an EV industry based on the market supply and demand. Six parameters are included in the evaluation:
Supply:
- EV's forecast share of car production
- Number of EV prototypes generated by national OEMs
- Government support for infrastructure and R&D

Demand:
- EVs' share of car sales
- Level of government subsidies
- Customer driving experience

The report notes that there are only few EV purchases from individuals in China compared to Europe and the US, due to high prices, safety concerns and lack of infrastructure. In China the major buyers are governments departments and State-owned companies. As the core EV technologies such as batteries and electric motors are mostly imported from Western manufacturers, local EV manufacturers have difficulties to reduce their costs. Therefore EVs are usually beyond the price acceptance of most Chinese consumers and as a result, many Chinese automakers as well as industrial policy makers have switched their focus to hybrids. At present the development of EV market in China is highly subject to government policies. Although the Chinese government launches the largest scale demonstration projects and offers the most generous financial incentives in the world, it has not successfully stimulated the purchase of electric vehicles among individuals. The report believes that "China's aspirations to become a global leader in EVs can still be realised, but achieving this goal will require stakeholders across the electric vehicle value chain to recalibrate both their expectations and their actions. China's government, automotive OEMs, suppliers and infrastructure providers must reassess their support for the EV market and collaborate more closely to craft a new strategy for transforming China into an EV leader."

Fiat forecasts prolonged European slump as regional quarterly losses grow

(Source: Automotive News Europe, 30th October 2012) Fiat forecasts a prolonged downturn in the European market after reporting third-quarter operating losses in Europe grew 61% to €219m from a year earlier. "We see continuing weak trading conditions [in Europe] for the remainder of 2012, extending well in 2013 and at least part of 2014," CEO Sergio Marchionne said in a statement. The automaker said global third-quarter earnings before interest, taxes and one-time items, which Fiat Group calls trading profit, advanced 12% to €951m on sales of its Chrysler vehicles in North America. Revenue rose 16% to €20.4bn. Boosted by demand for Chrysler 200 sedans and Jeep Grand Cherokee SUVs, Chrysler said on Monday 29th October that its net income surged 80% to $381m. The US-based manufacturer, which is controlled by Fiat, also confirmed its 2012 forecast of about $1.5bn in net income. Fiat Group said net debt in the third quarter rose by €1.26bn to €6.69bn. Marchionne is cutting back on investment and holding off on bringing new Fiat vehicles to market because of Europe's downturn, in which industry-wide sales are headed for their biggest annual drop in 19 years. The company said on Tuesday 30th October that 2012 trading profit in the region will be at the lower end of a previous target of €3.8bn to €4.5bn. Revenue in Europe

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dropped 13% to €3.82bn in the quarter, Fiat said. "The real story here is the balance sheet and finally we are seeing the cracks appear," David Arnold, a sales specialist at Credit Suisse in London, said in a note to investors. "Fiat's core has managed to consume €1.4bn in cash within 92 days, or €15m per day, much worse than what we are seeing anywhere else." Fiat isn't alone in struggling in Europe. The French government has had to support PSA Peugeot Citroën by backing €7bn in new bonds for its financing arm. Ford Motor Company is closing three plants in the region, Daimler has scrapped its profit target for next year and Volkswagen posted its largest drop in earnings since 2009 in the third quarter. Fiat's problems are bigger than many rivals' because its troubled home country accounts for half its sales in the region. Its plants in Italy, where car sales are on pace to plunge this year to the lowest level in more than three decades, are running at 50% of capacity, far below the 80% threshold typically considered profitable. To counter the severe slump in European sales, Marchionne is considering building Chrysler models in Italy, including Jeeps, for export to North America. The Italian government is evaluating tax rebates on export goods to help Fiat. The carmaker has suspended investments in Italy, cutting European spending by €500m in 2012, and has delayed new models, including the Punto hatchback. Marchionne, 60, has acknowledged that he neglected Europe while turning around Chrysler after it emergence from bankruptcy. While he ultimately would like to merge the two companies into a single global giant, he has said he wants to get Fiat back on track before that can happen.

Ford posts Q3 net of $1.63bn: record North American profits offset European losses

(Source: Automotive News Europe, 30th October 2012) Ford Motor Company posted a $1.63bn third-quarter net profit, nearly matching its year-earlier total, as record high earnings in North America more than offset mounting losses in Europe. Pre-tax operating profit rose to a record $2.16bn from $1.94bn a year earlier, the company said. Pre-tax operating profit in North America increased to $2.33bn - a record for any quarter since 2000, when Ford began tracking the region as a separate business unit - from $1.55bn a year earlier. The pre-tax loss in Europe widened to $468m from $306m in the third quarter of 2011. "The Ford team delivered a best-ever third quarter, driven by record results in North America and the continued strength of Ford Credit," CEO Alan Mulally said in a statement. "While we are facing near-term challenges in Europe, we are fully committed to transforming our business in Europe." Total global revenue was $32.1bn, down from $33.1bn a year earlier. Last year's net of $1.65bn was Ford's second-highest quarterly profit ever. The rise in North American pre-tax profit came as revenues in the region rose 8% to $19.5bn. Ford launched three important new or redesigned vehicles in the quarter: the Fusion mid-sized sedan, C-Max Hybrid and Escape compact crossover. Ford said it expects its full-year 2012 North American pre-tax operating profits and margins to be significantly higher than in 2011. "North America had positive volume and mix and positive net pricing," said Bob Shanks, Ford CFO. "This is the third quarter in a row we've earned over $2bn in North America and where margins have been above 10%." But Shanks said he does not expect the fourth quarter will be as strong in North America because of "normal seasonal increases" in costs. Those include increased marketing and advertising expenses to promote new models and the increased manufacturing expense caused by adding 400,000 units of new capacity, including the addition of a shift to its Louisville, Kentucky, assembly plant, which builds the Escape. Ford earned $4.14bn in North America in 2012's first half and had an operating profit margin of 10.8% in an industry where a 5% margin is considered respectable. Ford's North American operating margin in the third quarter was a record 12%. Ford's US car and light truck sales rose 5% through September to 1.6m, according to the Automotive News Data Center. But with the overall US market up 15%, the company's market share in the first nine months fell to 15.5% from 16.8% a year earlier. Some of that market-share loss reflects the rebound of Japanese brands, which were production constrained in 2011 due

to the devastating earthquake and tsunami in Japan. In Europe, Ford's revenues fell 26% to $5.8bn from $7.8bn a year earlier. Ford last week raised its estimate for losses in Europe this year to at least $1.5bn, up from a previous forecast of a $1bn loss. Analysts say auto sales in Europe may fall to their lowest level in 19 years, prompting massive price discounting, as the sovereign-debt crisis saps consumer confidence. Last week, Ford said it will close three plants in Europe: in 2013, an assembly plant in Southampton, England, and a stamping plant in Dagenham, England; and in 2014, an assembly plant in Genk, Belgium. The moves will trim 355,000 units of production, or about 18% of its European capacity. Ford said last week it hoped to return to break even in Europe by mid-decade. Ford will cut 6,200 jobs by closing the plants. The move will carry a separation cost of slightly less than $100,000 per employee, Ford said. The plan is loosely modelled on the plan that turned Ford's North American operations around. In South America, Ford's pre-tax operating profits collapsed 97% to $9m from $276m a year earlier, as revenues fell to $2.3bn from $3.0bn. Ford blamed the decline on unfavourable exchange rates, primarily the Brazilian real. Ford Credit reported a pre-tax operating profit of $393m, down from $581m a year earlier. All Ford financial operations had a pre-tax profit of $388m, down from $605m. In its Asia-Pacific- Africa region, Ford swung to a profit of $45m, from a loss of $43m last year. Revenues rose to $2.6bn from $2.3bn. Ford reported positive automotive operating cash flow of $700m, up from $400m for the third quarter of 2011.

EUROPE

The atmosphere in Europe's shortsea ro-ro sector

(Source: LloydsLoadingList, 29th October 2012) Recent news of further planned general fleet development by the leading global deepsea ro-ro operators appears to confirm their optimism about longer-term business prospects for the market. That positive outlook is in sharp contrast to the currently very subdued atmosphere prevalent in Europe's shortsea ro-ro shipping industry, which remains concerned about the impact on the sector of struggling European economies and a looming need for substantial investment to meet new vessel emission requirements. One of the most recent examples of planned deepsea ro-ro fleet development saw Atlantic Container Line (ACL), part of **Grimaldi Group**, announce in August that it had ordered what it claimed are the five largest ro-ro containerships in the world for delivery in 2015. The G4 (Generation 4) vessels, which will each be able to accommodate up to 1,307 cars as well as 3,888 TEU, will replace ACL's existing transatlantic service fleet of G3 ships. A month later, **Höegh Autoliners** reported it had agreed 12-year bare boat charters for two newbuild 6,500 car capacity pure car and truck carriers (PCTCs) to be delivered in 2014. The vessels, to be built by Daewoo in Romania, will initially be owned by Ocean Yield, but Höegh will have the option to acquire them during the charter period. Höegh has previously taken delivery of a series of 10 PCTCs from Daewoo and the two new ships will be based on the same specifications, "with relevant updates". Trond Sjursen, Hoegh's Head of Region Europe, said: "Demand for increased [deepsea ro-ro] capacity will be there over the next few years, and the new global capacity due to come in over the next couple of years is very limited. We believe we have to secure additional capacity, and these two latest charters are likely to be just the start of that." Rival deepsea ro-ro operator **Wallenius Wilhelmsen Logistics (WWL)**, whose most recent fleet development saw the official naming in October of its fourth new Mark V vessel, Salome, has yet to announce any further plans in that context. However, Paul Reeves, Managing Director of WWL UK, hinted there could be news to come next year. "There is nothing to report at this stage but there may be some developments in early 2013," he said. Meanwhile, Europe's shortsea ro-ro operators generally remain primarily concerned with how they will afford the investment required to ensure their fleets meet planned new North Sea and Baltic region vessel emission requirements, due to come into force in 2015 – a time when their markets and rates remain under heavy pressure and showing few indications of any improvement in the near future. A typical assessment of current North Sea shortsea ro-ro market prospects, for example, is provided by Kell Robdrup, Senior Vice-President and Head of North Sea Business for **DFDS Seaways**. "At the moment, it looks as if the present tough market conditions will continue through next year and it will probably be 2014-15 before we see any real change," he said.

European Parliament tests six different fuel cell vehicles in Strasbourg

(Source: Cars21.com, 26th October 2012) On 23rd October, the 5th edition of the Fuel Cell Electric Vehicle Drive 'n' Ride, under the patronage of Brian Simpson, Member of the European Parliament (MEP) and Chair of the European Parliament's Transport and Tourism Committee, demonstrates the readiness of fuel cells and hydrogen as a viable route to zero emission transport in Europe. Over two days, MEPs, political advisors and other stakeholders had the experience of test-driving six different models of fuel cell electric cars by Daimler, Honda, Hyundai, Intelligent Energy, Opel and Toyota. Participants had also had the opportunity to watch the refuelling process at a fully mobile and compact hydrogen station, the first of its kind in the city of Strasbourg, provided for the occasion by Air Liquide. "The future of European transport is very high on the European Parliament's agenda. We need to find ways to make our transport system more sustainable and environmentally responsible while contributing to the economic recovery and

growth in Europe. Deployment of practical and efficient clean technologies is an indispensable part of the solution for a low-carbon transport system. Europe can't miss this opportunity," stated Brian Simpson, ahead of the event. The Drive 'n' Ride event aims to address the challenges associated with building refuelling infrastructure and reducing costs with production scale. It follows the announcements by national governments in Germany, the UK and Scandinavian countries to support market introduction of fuel cell electric vehicles and refuelling stations. The German government, for example, has announced the 14 stations currently available in Germany should be increased to 50 sites by 2015. Other European countries like France or the Netherlands are also analysing the potential of hydrogen mobility on their territory. "Fuel cell electric vehicles and the refuelling technology are clean, safe and ready for deployment. They live up to expectations and are comparable to internal combustion engine vehicles in terms of range and performance. The key question now is how to bring them to the market as a competitive option," added Pierre-Etienne Franc, Director of Technologies of the Future at Air Liquide and Chairman of the Fuel Cells and Hydrogen Joint Undertaking, the European public-private partnership that brings together the European Commission, industry and the research community working in the fuel cell and hydrogen sector. Companies participating in the Drive 'n' Ride emphasise the need to continue reinforced public-private partnerships within the European Commission's Horizon 2020 programme for R&D and to develop effective support tools for deployment. "Only strong public-private partnerships will create the stable framework needed to bridge the gap to full commercialisation and, in consequence, create jobs and growth in Europe," stressed Pierre-Etienne Franc. According to the European Commission, the EU is currently the world's largest producer of motor vehicles, producing almost a third of the world's passenger cars. The automotive industry employs a large number of skilled workers and is responsible for 12m jobs. It is therefore a key driver to support innovation (€20bn a year in R&D) and Europe's competitiveness (annual turnover of € 780bn and a value added of over €140bn).

Foreign lorries to pay for UK roads by April 2014

(Source: Commercialmotor.com, 23rd October 2012) Foreign lorries could be paying for the use of UK roads by April 2014, Transport Minister Stephen Hammond has revealed. A debate on the Lorry Road User Charge in the House of Commons on Tuesday 23rd October started the required bill on its Parliamentary journey. It also coincided with the publication of the findings of the Department for Transport consultation on charging Large Goods Vehicles (LGVs). This provides more detail on what the scheme means for UK hauliers. In the document, it makes clear that the levy, as it is now officially known, would be cost neutral for the majority of UK hauliers. There will be a Vehicle Excise Duty (VED) reduction to achieve this, as well as grants for vehicles with Reduced Pollution Certificates. UK hauliers will pay at the same time and in the same payment as they currently do for VED. For foreign vehicles, the charge will need to be paid before they use UK roads, and 90% of foreign vehicles are expected to fall into the top bands, which will attract annual payments of between £640 up to £1,000. The bill makes it an offence to fail to pay the levy. Enforcement will be carried out by the Vehicle and Operator Services Agency (VOSA) and will include £200 on-the-spot fines and up to a £5,000 fine if it goes to court. The Freight Transport Association (FTA) described the levy as a landmark shift in sharing road costs. James Hookham, FTA's Managing Director of Policy and Communications, said: "FTA has supported the idea of a charge on foreign vehicles for many years as a way of addressing, at least partly, the competitive differences between British registered operators and foreign-registered vehicles. However, there were important conditions attached to our support to avoid additional costs and burdens falling on UK operators, as the charge could not be applied to foreign vehicles alone." The Road Haulage Association (RHA) also welcomed the government's commitment to the levy: "RHA members have expressed strong support for this scheme."

Opel seeks to help Bochum, site of endangered German plant

(Source: Automotive News Europe, 30th October 2012) General Motors, its money-losing European unit Opel and the state of North Rhine-Westphalia are in talks to find a way to bolster employment in the economically depressed region around its endangered Bochum plant in Germany. A spokesman said the working group, dubbed Bochum Prospects 2022, is separate to ongoing negotiations over a restructuring of Opel's German operations, which could lead to production of cars in Bochum ending at the start of 2017. "The working group has a broad remit and brings all interest groups to the table that want to participate in developing prospects for our employees and all citizens of Bochum and North Rhine-Westphalia," GM Vice-Chairman Steve Girsky said in a statement on Tuesday 30th October. "We look forward to contributing our share to this key task -- and that includes financial resources as well," he added.

REST OF THE WORLD

BLG organises China logistics services under one subsidiary

(Source: Automotive Logistics News, 31st October 2012) Germany's **BLG Logistics** is organising its logistics services in China under a dedicated subsidiary in anticipation of an increase in exports from the country to European markets in the near future. "We are currently in the process of pooling our logistics services in China under the brand BLG China," said Detthold Aden, CEO of BLG Logistics Group at press conference in Beijing last week. "With our logistics network we act as a springboard to the Europe market." According to BLG, Germany is China's most important trading partner in the European Union and China is, in turn, Germany's most important trading partner in Asia. "In the last 10 years China has displayed an impressive economic development to the world," said Aden. "In 2011 China rose to become the world export champion and has relegated Germany to second place. However, China's imports are also rising continuously. For instance, China is currently the strongest market for German vehicles, which are exported via our Auto Terminal in Bremerhaven." China numbers among the most important partners of the ports of Bremen and Bremerhaven, especially in terms of containers and vehicles. More than a 100 Chinese companies have branches in Bremen according to BLG and China's major ports are connected to the Bremen ports via regular services. BLG already operates a joint venture in the port of Tianjin in China with Cinko SCM. Called BLG Cinko Autotec, the company cleans retrofits and prepares vehicles for shipping. However, it is also planning to provide services for import vehicles for the Chinese market. According to Aden, the addition of BLG China, which will concentrate all of its logistics services under one roof, will further expand the company's performance in China. Chinese makes have been handled in Bremerhaven since 2007.

US fiscal cliff a 'big gorilla' chilling sales growth

(Source: Automotive News, 30th October 2012) Nissan Motor Company CEO Carlos Ghosn warned on Tuesday 30th October that uncertainty surrounding the US fiscal cliff is a "big gorilla" that threatens to slow US auto sales growth next year. The fundamentals of the US economy are strong and the rebound in the US auto market is solid, Ghosn said. But concern about the government's deficit is casting a chill on the outlook. "There is still a big gorilla out there, which is the uncertainty of how the US is going to overcome the fiscal cliff," Ghosn said. "The day we're going to have an answer to this, we're going to feel much more comfortable about US growth." Ghosn also downplayed concern that the financial crisis in Europe or the economic slowdown in China would spill over into North America. "If it exists, it's not significant," he said of any possible contagion. "And anyway, it's not visible." The fiscal cliff is shorthand for a dilemma facing the US government at the end of this year, when austere deficit reduction measures automatically kick in if no action is taken. Lawmakers could let a number of substantial tax increases and spending cuts automatically kick in. This would reduce the deficit, but it also runs the risk of throwing the economy into recession. Or they could override those tax increases and spending cuts. But that would fan the deficit and increase the chances of the United States lapsing into a Europe-style debt crisis. Finally, they could choose a middle way that aims for a more moderate mixture of tax increases and budget cuts. But similar attempts to craft such a mix this year devolved into political brinksmanship and stalemate. "Some people are more confident that we'll find the solution. Other people say, no, it may take a lot of debate, a lot of political juggling," Ghosn said. "We don't know. That's why we are a little bit cautious on the US." Ghosn said the US auto market is on a healthy trajectory, but that the uncertainty could take the shine off growth in 2013. "The recovery in the United States is in good shape," Ghosn said. "Nobody is foreseeing even stagnation for next year, even though the growth may not be substantial." Insubstantial growth for 2013 would contrast with the 15% sales surge the industry enjoyed through September. The seasonally adjusted annualised sales rate for September rose to 14.9m units, the highest since the industry's 2008 collapse. Nissan North America, however, trails the industry, with sales up 12% to 866,484 in the first nine months.

PRESS RELEASES

Council backs cleaner marine fuel standards

(Source: Council of the European Union, 29th October 2012) The Council adopted on Monday 29th October a directive amending directive 1999/32/EC as regards the sulphur content of marine fuels.

Emissions from shipping due to the combustion of marine fuels with high sulphur content contribute to air pollution in the form of sulphur dioxide and particulate matter, which harm human health and contribute to acidification. The directive aims therefore to reduce these emissions considerably and to provide a high level of protection for human health and the environment by rendering the most recent International Maritime Organisation (IMO) rules on marine fuel standards mandatory in the EU, thereby amending Directive 1999/32/EC.

The key elements of the directive are:

– In line with the Annex VI of the MARPOL Convention, the limits for the sulphur content of marine fuels used in designated SO_2 Emission Control Areas (SECAs) will be 1% until 31th December 2014 and 0,10% as from 1st January 2015. The IMO standard of 0,5% for sulphur limits outside SECAs will be mandatory in EU waters by 2020. This will also be valid for passenger ships operating outside SECAs to which the current regime of 1,5% applies until that date. A general cap does not allow the use of marine fuels with a sulphur content of more than 3,5 % by mass within member states territory, with the exception of fuels used by vessels with alternative exhaust gas cleaning systems, the so-called scrubbers, operating in closed mode. In line with the MARPOL Convention the directive provides that member states shall endeavour to ensure the availability of the required marine fuels.

– Aid for investment costs. Since the costs of new requirements to reduce sulphur emissions could have negative effects on the competitiveness of the industry and could produce a modal shift from sea to land, member states may provide support to operators in accordance with the applicable State aid rules if such aid measures are deemed to be compatible with the treaty. Furthermore, the Commission should make full use of financial instruments that are already in place and promote the development and testing of alternative technologies to reduce emissions from ships.

– As part of the effective, proportionate and dissuasive penalties to be set by Member States in implementing the directive, possible fines should at least be equivalent of the benefits deriving from the infringements to the provisions of the directive.

– In relation to reporting and review, the Commission should, based on the implementation of the directive, draw up a report by December 2013 and consider in this context further strengthening the provisions of the directive. In the review of the Commission's air quality policy scheduled for 2013, the Commission will consider all possibilities on how to reduce air pollution, including in the territorial seas of Member States.

The directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. Member States will have 18 months after the entry into force to adopt the necessary national provisions.

CYSPA: launch of a new cyber-security project

(Source: CORTE, 19th October 2012) Within the framework of the EU Research FP7 ICT programme, CORTE is happy to announce its association with the European Cyberspace Protection Alliance (CYSPA). CYSPA is an EU funded security project, falling under the CORTE Road Security pillar. By bringing together 17 partners and 4 supporting organisations, CYSPA aims at building a trustworthy ICT based on an EU strategy, which protects cyber-space. CORTE´s role shall be, alongside other key partners, to provide analysis focused on the transport sector and associate transport national authorities to building shared EU best practices that will contribute to making road transport critical infrastructure more robust.

Recent years have seen a major IT revolution, which targeted all sectors of society, including transport. These developments have created a system stemmed with interconnected networks which link all levels and sectors of society, and are subject to a continuous increase in speed and capabilities. These positive aspects however are shadowed by the high increase in criminal incidents within the ICT sector, which led to a vast compromise of the existing data and information and in some cases even brought the physical infrastructure, as critical road transport infrastructures, to a standstill. CYSPA aims at addressing these issues through an adequately targeted EU strategy, which tackles and reaches all dimensions: human, enforcement, legislative, infrastructure, economical and societal. The partners and supporting organisations come together from 11 countries covering both public authorities, industry and research, and promote a top-down approach of tackling these sensitive issues for a period of 30 months.
The dimensions targeted by this EU funded project are the economic and societal impacts on cyber disruptions, the impact of ongoing initiatives, technological observatory, optimal uptake and deployment models and the delivery of an integrated strategy to protect cyber-space, with public and private partners.

CORTE shall actively participate within this Alliance and shall be involved in the field of sectoral Transport alongside Edisorf, Engineering and EOS, with the support of UTI. CORTE will participate to the impact analysis in relation to the transport sector, providing both input knowledge and scenarios. It will also disseminate the CYSPA results towards the transport sector. The other areas – Energy, Telecommunication and e-Government shall be under the supervision of the remaining partners. More information is available on www.corte.be *[of which ECG is an Associate Member]*.