ECG News

ECG – The Association of European Vehicle Logistics

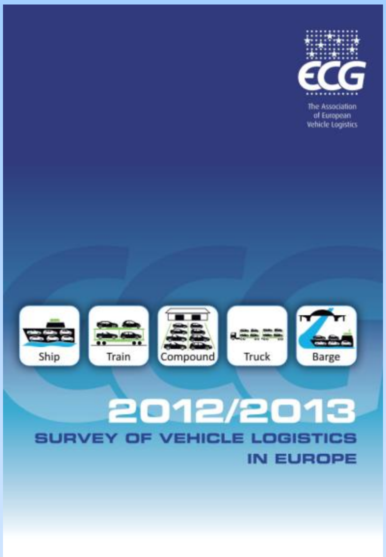
Issue 12.44, 05th – 09th November 2012

CONTENTS

ECG - The Association of European Vehicle Logistics, Diamant Building, Bd. Reyers 80, 1030 Brussels,
Tel: +32-(0)2-706- 8280, Fax: + 32-(0)2-706-8281, www.ecgassociation.eu

Now On Sale!

The new ECG Survey of Vehicle Logistics 2012-2013



From €100 for Members
From €250 for Non-Members

- Unique scientific publication, created by the sector to represent the reality of the industry in each single country across Europe, including Russia, Turkey and Ukraine.
- It combines global and European data and information on the automotive industry in general, and the finished vehicle logistics sector in particular.

To order a copy of the new ECG survey please click on the following link: http://www.ecgassociation.eu/PublicationsReports/ECGBiennialSurvey.aspx

NEWS FROM BRUSSELS

CARS 2020: for a strong, competitive and sustainable European car industry

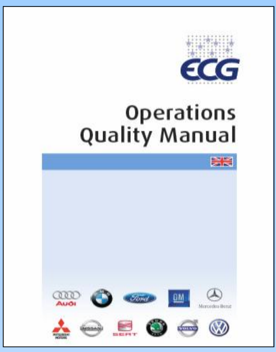
(Source: European Commission, 08th November 2012) With 12m sector-related jobs the automotive industry is vital for Europe's prosperity and job creation. The EU needs to maintain a world-class car industry, producing the most energy-efficient and safe vehicles globally and providing high-skilled jobs to millions. To make this happen, the European Commission tabled on Thursday 08th November the CARS 2020 Action Plan aimed at reinforcing this industry's competitiveness and sustainability heading towards 2020. The Commission proposes a massive innovative push by streamlining research and innovation under the European Green Vehicle Initiative. Co-operation with the European Investment Bank will be reinforced to finance an innovation boost and facilitate SME access to credit. An EU standard recharging interface will provide the regulatory certainty needed to facilitate a breakthrough for large scale electric car production. Innovation in the automotive industry will also be stimulated through a comprehensive package of measures to reduce CO_2, pollutant and noise emissions, to drive improvements in road safety and develop technologically-advanced Intelligent Transport Systems (ITS). In parallel, the Commission also proposes to address the immediate problems in the car sector. In response to a fall in demand on European car markets and plant closure announcements, the Commission will in November bring together car producers and trade union representatives and Ministers of Industry ahead of the next Competitiveness Council to review measures for dealing with the present crisis in a co-ordinated way. The car industry is important throughout Europe and a European response is needed. This response should focus on addressing overcapacity, social and technological investment, as well as state aid and demand-side measures, followed by a discussion at the political level. European Commission Vice-President Antonio Tajani, Commissioner for Industry and Entrepreneurship, said: "Europe produces the best cars in the world. The Commission wants this leadership to be maintained, moving even further ahead in safety and environmental performance. The Commission is therefore presenting a strategy for the EU automotive industry and will also take urgent action to address this sector's current difficulties and restructuring in a co-ordinated way. This automotive plan is the first fruit of the Commission's strategy for a new industrial revolution, presented on 10th October. The automotive industry has all the assets to overcome current problems, remain competitive, become more sustainable and retain its manufacturing base in Europe. What is more, because of the multiplier effect it has in the economy, the car industry should provide a strong impetus to maintain a strong industrial base in Europe. The CARS 2020 Action Plan will give the car industry all possible political support." There is likely to be a major increase in the number of cars sold in emerging countries in the coming decade, offering opportunities for the EU car industry, but with high pressure to improve sustainability and to address increasing global competition. The Action Plan comprises concrete proposals for policy initiatives in order to:

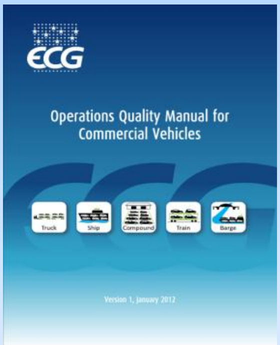
1. Promote investment in advanced technologies and innovation for clean vehicles, for example by:

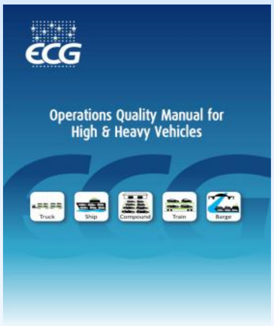
- a comprehensive package of measures tackling CO_2, pollutant and noise emissions reduction.
- pursuing road safety measures, including Intelligent Transport Systems.
- the deployment of infrastructure for alternative fuels (electricity, hydrogen and natural gas).
- an EU standard for the recharging interface for electric vehicles.
- a European Green Vehicles Initiative under Horizon 2020 to promote investment in research and innovation.

2. Improve market conditions, for example by:

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

- strengthening the Single Market for vehicles through an improved type-approval system, including market surveillance, to avoid unfair competition.
- streamlining of financial incentives for clean vehicles.
- consistent application of the smart regulation principles, including the application of competitiveness proofing for major policy initiatives to estimate the specific impact of major policy initiatives on the automotive industry.

3. Support industry in accessing the global market through:

- the conclusion of balanced trade deals, careful evaluation of the cumulative impacts of these trade deals as well as promotion and continuation of bilateral dialogues with major third country partners.
- intensifying the work on international harmonisation of vehicle regulations with the ultimate aim of achieving an international car type approval and global safety requirements for electric vehicles and their batteries.

4. Promote investment in skills and training to accompany structural change and anticipate employment and skills needs, for example through encouraging the use of the European Social Fund (ESF) for this purpose.

The Commission and Member States must now implement the policies announced. The role of the automotive industry will be to achieve the new ambitious objectives established. In order to monitor this process, and continue the dialogue with the stakeholders a dedicated process will be established called "CARS 2020". The automotive industry as a whole (automotive producers, supply chain and aftermarket, including thousands of SMEs) is of strategic importance to the European economy, representing 12m direct and indirect jobs, 4% of GDP and a €90bn trade surplus (in 2011). This industry is the biggest private investor in research and innovation, spending around €30bn annually. The Action Plan represents the first concrete delivery of the new policy priorities proposed in the recent Communication on industrial policy. It builds on the outcome of the CARS21 High Level Group, in which seven Commissioners, as well as Member States and key stakeholders (including industry representatives and NGOs) were represented. Re-launched in 2010, the CARS21 Group adopted its Final Report in June 2012.

For more information on the vision for the automotive industry in 2020 and the actions announced by the European Commission please see: http://europa.eu/rapid/press-release_MEMO-12-845_en.htm

For the EC website on CARS 2020 as well as the Communication please see: http://ec.europa.eu/enterprise/sectors/automotive/competitiveness-cars21/cars21/index_en.htm

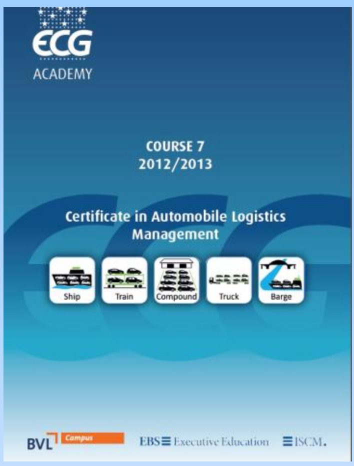
The ACEA reaction is published under the 'Press Releases' section of this ECG News issue.

France under fire over rail merger proposal

(Source: Euractiv.com, 06th November 2012) France's plan to merge its railway and infrastructure operations has drawn criticism and a call for the European Commission to block the move. Efforts to merge the state-run SNCF railway and the RFF infrastructure company comes as the Commission finalises its Fourth Railway Package that is expected to focus on further "unbundling" the management of infrastructure from passenger and cargo operations. But Tony Berkeley, a member of the British House of Lords who is Director of the European Rail Freight Association, said the Paris proposal defied EU laws on creating an integrated, competitive market for passenger and cargo rail: competitors "are never going to get fair treatment as long as the infrastructure operator has a corporate relationship with the rail service operator." In a letter sent to the Commission on Monday 5th November, Lord Berkeley said: "Other train operators suffer badly from unfair train path allocation and general obstruction by SNCF in France in the development of new services and in the efficient functioning of existing ones." Lord Berkeley said he hoped the letter would ensure that 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.

Benefits:

- Acquiring a vast wealth of knowledge in an accelerated timeframe, but in as much depth as it is required
- Unique networking opportunities. Each course brings together over 20 individuals representing companies from across Europe
- The course culminates in the award of Certified Automobile Logistics Management, which is an accredited qualification

For more information please contact info@ecgassociation.eu

"Fourth Railway Package is completely bomb-proof against the Member States" seeking to protect national rail companies. Frederic Cuvillier, the French Transport Minister announced plans on 30th October to restructure SNCF and RFF, which owns the national rail network, into a single operation. SNCF was broken up in 1997 to end the monopoly of national freight and passenger carriers and introduce European-wide competition. Cuvillier said the current system was dysfunctional and financially unsustainable. He said he was confident that the EU executive would support the plan, telling the daily Le Monde that Paris was not attempting to exclude competition and offered guarantees of "equal access to rail resources to all operators." SNCF and Deutsche Bahn, the German rail company, have both pressed European policymakers not to force companies to separate rail infrastructure and operations, citing a spotty record of such efforts in the past 20 years. Last month, the two companies released a report questioning the efficiency of separate operations, arguing that in countries with integrated rail operations - including the United States, Canada and Japan - there has been steady growth in investment and passenger or cargo traffic in contrast to the sluggish European market. "The results show that integrated management of infrastructure and train operations is not an obstacle to improving a railroad's efficiency and performance," said Andreas Schwilling, a partner at the Roland Berger Strategy Consultants in Munich, which conducted the study, released on 15th October. The German-French position gained strength when the European Court of Justice, in a preliminary ruling, upheld the German model over Commission objections that it violated legal provisions for independent infrastructure management. There was no immediate comment from the Commission to the French proposal nor to Lord Berkeley's letter to Commission President José Manuel Barroso, which was also released to journalists. Commission acquiescence to allowing operations and infrastructure under a single roof is far from certain. The Commission is working on its Fourth Railway Package since 2001 with the aim to further liberalise networks, citing rail's low market shares of about 7% for freight and 12% for passenger services. The package is to be presented by the end of 2012 and is expected to focus on further "unbundling" the management of infrastructure from passenger and cargo operations, and further opening the door to competition in national markets.

To read more about this topic, including the results of another study, please see the CER press release under the 'Press Releases' section.

AUTOMOTIVE INDUSTRY

PSA's Varin says no further asset sales planned after GEFCO deal

(Source: Automotive News Europe, 05th November 2012) PSA Peugeot Citroën is not planning further asset sales after the disposal of its logistics unit **GEFCO**, CEO Phillipe Varin said. PSA signed a deal on Monday 05th November to sell its 75% stake in GEFCO to Russian Railways for €800m, which will see the state-owned railway monopoly pay a special dividend to PSA of €100m. "It's clear that we've had an asset sale programme in place since the beginning of the year, which has been executed on," said Varin at a press conference. "We don't intend to sell any more assets," he said. "The completion of the GEFCO transaction is now exclusively subject to relevant antitrust approvals and should take place before the end of the year," PSA said. The deal is part of PSA's ongoing programme started last February to sell €1.5bn of assets and stem losses that have forced the carmaker to seek government subsidies. As part of a restructuring programme, PSA is scrapping 8,000 jobs and closing its Citroën C3 production plant at Aulnay, near Paris, to try and halt losses approaching €200m a month.

ECG AGENDA

►**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

GM cuts 2,600 jobs in Europe

(Source: Automotive News Europe, 31st October 2012) General Motors Company said it will cut 2,600 jobs in Europe by the end of the year as part of a plan to reduce losses at its Opel/Vauxhall unit. GM has already eliminated 2,300 of the positions through early retirement and voluntary severance packages, GM Europe said in a statement. The automaker also plans to cut $500m in costs in Europe between 2013 and 2015. This year, GM Europe's fixed costs are expected to be down by about $300m, the statement said. GM said it had reduced company and dealer-owned inventory in Europe by 100,000 units since February and an additional 20,000 reduction is planned by the end of the year. GM is also planning to shutter its plant in Bochum, Germany, in 2016 to trim overcapacity problems. The company reiterated on Wednesday 31st October that there is no allocation of future product planned for Bochum after run-out of the current Opel Zafira minivan. GM said it expects to lose between $1.5bn to $1.8bn this year in Europe after its third-quarter losses in the region widened to $478m from $292m a year earlier. The company said it was targeting results in Europe to be slightly better in 2013 than in 2012 and to reach break-even by mid-decade. "Achieving break-even results will be a significant milestone in GME's long-term 'Drive Opel 2022' plan," said Steve Girsky, GM Vice Chairman and the company's Europe chief, in the statement. GM Europe aims to become profitable by earning higher revenue from its vehicles currently on sale or due to launch and by significantly reducing break-even level, he said. The company's strategy includes refocusing Opel's marketing strategy, improve the brand's image, strengthening the quality of market share and launching new models such as the Adam minicar, Cascade convertible and Mokka subcompact crossover, the company's statement said. "We have an aggressive, multi-billion dollar product plan that will deliver 23 new models and 13 new engines through 2016," Girsky said. "Many of Opel/Vauxhall's near-term launches are in entirely new segments, including the Mokka and Adam this year, and the Cascada next year." Opel's image has "deteriorated" over the last several years, Girsky said. "We know we're behind here, and we're working very hard to bring us back to where we were." GM Europe had positive cash flow in the third quarter, although some of that was due to inventory reductions, he said.

Ford may cut more Europe jobs if slump deepens

(Source: Automotive News Europe, 07th November 2012) Ford Motor Company, which plans to close three factories and scrap 6,200 jobs in Europe to stanch losses, said on Wednesday 07th November it cannot rule out further capacity cuts in the region if the auto market deteriorates further. While Ford has no current plans for further capacity cuts - which can range from dropping a factory shift to closing a plant - the automaker is monitoring Europe's market and economic outlook very closely, CEO Alan Mulally said. "That will determine what we do, if we do anything more," Mulally said at the Automobilwoche conference in Berlin. "The most important thing is to match our production to the level of demand." About 170 protesters burned tires and threw fireworks at police officers outside a Ford plant in Cologne, Germany, during a meeting between management and Ford's European Works Council. The protest comes about two weeks after Ford outlined its restructuring plans for Europe, where the company's losses could surpass $3bn over the next two years. A group of protesters in Cologne, where Ford of Europe is based, stormed the Ford factory grounds, smashing windows and injuring a Ford employee, police said. Six people were arrested and three police officers were injured. Ford said in a statement, "While we understand the impact that our European business transformation plan has on people and respect their right to peaceful demonstrations, we are disappointed that some of the protesters used force to gain entry to our facilities in Cologne." The situation in Europe remains "very volatile," Mulally said in Berlin. "We don't know whether it will stabilise or hit bottom or not because it's continuing to decrease." The second largest US carmaker said last month it will shutter a British van factory in Southampton and an associated stamping plant in 2013, and close a bigger site

Events in Brussels

"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

Perhaps not in Brussels but of interest:

"Barge to Business" conference on 12th & 13th December in Rotterdam (http://bargetobusiness.eu/conference)

in Genk, Belgium, the following year. The European cutbacks by Ford are expected to generate savings of $500m annually by 2015. The automaker aims to make a profit in the region around that time. Ford, which posted a $468m European loss in the third quarter, expects to lose a combined $3bn in the region in 2012 and 2013. "We needed to move decisively, also to be able to invest in new products," Mulally said. "If you don't do that, you continue to lose money and will be gone."

EUROPE

RZD seals deal to buy GEFCO

(Source: LloydsLoadingList.com, 07th November 2012) French automaker PSA Peugeot Citroën has completed the sale of 75% of its logistics subsidiary, GEFCO, to JSC Russian Railways (RZD) for €800m. It marks the first time that a Russian group has acquired a major logistics player in France and probably in the EU. The agreement was signed by PSA Peugeot Citroën Chairman, Philippe Varin, in Paris this week. The transaction remains subject to antitrust approval, which is expected to be granted before the end of the year. The carmaker said in a statement: "This agreement will enable GEFCO to step up its expansion by combining its strengths with those of RZD and diversify its business base, thereby contributing to revenue growth. "The new entity will be a global leader in diversified industrial supply chain logistics." It had previously highlighted that the transaction would further enhance GEFCO's geographic expansion strategy in countries such as China and India and also accelerates its growth in Eastern and Central Europe. "RZD and GEFCO would propose unrivalled logistics services between Europe and Asia", it added. Peugeot Citroën announced plans for the part sale of GEFCO in February, a disposal linked at helping turn around the car-making group's fragile financial position. In September, when news of the deal with RZD was announced, the Russian group said the purchase would enable it "to increase the attractiveness of transit cargo flows along the Europe-Asia transcontinental route". RZD said the next logical step was to "develop a sales network for transit transcontinental transport services via an international logistics company". Russian Railways taking control of GEFCO could also have positive implications for Peugeot Citroën's "mega-contract" with General Motors, announced in July. This will see GEFCO take on the major part of the US auto giant's logistics provision in Europe (including Russia) from the start of 2013.

RFG slams French rail restructure plan

(Source: LloydsLoadingList.com, 05th November 2012) The UK Rail Freight Group (RFG) has hit out at French government proposals to restructure its railways by bringing infrastructure manager RFF and incumbent operator SNCF into a single organisation. The new structure, announced last week, creates a holding company (GIE) which will, effectively, control infrastructure management, the timetable (through an SNCF subsidiary) and, with SNCF Infra, the maintenance and renewals of the network. GIE would have strong links to SNCF. The future of the existing infrastructure manager, RFF, is unclear. The RFG said such a plan would "kill competition" and "ensure that SNCF retains an increasing monopoly position until it closes rail freight completely - having already lost 50% of it is rail freight traffic in the last ten years". RFG members have a strong interest in growing rail freight through the Channel Tunnel to France and beyond. It said: "Already operators such as Europorte and Euro Cargo Rail [**DB Schenker**] suffer badly from unfair train path allocation and general obstruction by SNCF in France in the development of new services and in the efficient functioning of existing ones." Tony Berkeley, RFG Chairman, said: "Rail freight has been shown to prosper in open, competitive markets, such as in the UK. These proposals move away from such a model, and are likely to be damaging to the prospects for rail freight growth between the UK and France, via the Channel Tunnel. "We are

ECG Office

Mike Sturgeon
Executive Director
T: +32 2 706 8282
Mike.sturgeon@ecgassociation.eu

Tom Antonissen
EU Affairs Manager
T: +32 2 706 8283
tom.antonissen@ecgassociation.eu

Gabriela Caraman
Research & Projects Manager
T: +32 2 706 8279
gabriela.caraman@ecgassociation.eu

Natalia Savvina
Office Administrator
T : +32 2 706 8280
info@ecgassociation.eu

William Dénous
EU Affairs Assistant
T: +32 2 706 8284
assistant@ecgassociation.eu

deeply concerned about the intentions of the French government, which are both anti-rail freight and anti-European." He added: "We urge the European Commission to investigate these proposals and their compliance with the First Railway Package and the emerging proposals for the Fourth package. "It is vital that any restructuring allows all operators to operate on a fair and equal basis between France and the UK."

Opening salvo in mega-truck battle

(Source: LloydsLoadingList.com, 08th November 2012) In advance of a review by the European Commission of the legislation on the permitted sizes of Heavy Goods Vehicles (HGVs), due by the end of the year, Freight on Rail claims the research, commissioned by US-based manufacturer Kimberly-Clark, is trying to overturn the UK ban on 25 metre trucks. It says the shipper has commissioned "flawed research which disregards the road safety, congestion and pollution impacts of mega-trucks on society". Freight on Rail said: "The report's findings that mega-trucks would have no significant impact on road safety lacks credibility, given the increased dangers due to their size and lack of manoeuvrability. Because of the double articulation needed for manoeuvrability in urban areas there is a serious loss of stability at cruising speeds which increases risk of snaking, for example changing lanes. "The promoters are claiming that these vehicles will be restricted to motorways, dual carriageways and major roads. However, trying to restrict mega-trucks to dual carriageways and motorways will not work; the reality is that these vehicles will need local road access to distribution hubs on local roads. Freight on Rail Manager Philippa Edmunds said: "This partial report, which aims to get the government to reverse its objection to mega-trucks, dismisses the road casualties, road congestion and pollution from mega-trucks. The road haulage industry has an insatiable appetite for bigger lorries; there are already trials of 2 metre longer HGVs on UK roads and yet the industry is already lobbying for an additional 7 metres, with higher weight limits certainly the next item on their agenda. As almost half current-sized lorries are driving around partially full and over a quarter of lorries entirely empty, why would even bigger lorries be better utilised?"

TfL's light touch put London LEZ fines in freefall

(Source: Commercialmotors.com, 01st November 2012) Hauliers breaching London Low Emission Zone (LEZ) rules were given an easy ride during the first six months of this year, Transport for London (TfL) has admitted. Data has revealed that there was a staggering drop in the number of penalty charges issued to operators for breaking the LEZ standards this year, despite the 3rd January step-up from a Euro 3 to a Euro 4 minimum standard. Figures provided by TfL under the Freedom of Information Act show that 1,485 penalty charge notices (PCNs) had been issued in 2012 (up to 11th October), compared with 9,550 PCNs issued in the whole year of 2011. TfL attributed the drop in PCNs to its decision to only issue warning letters to drivers of all vehicles that broke the standard for a first offence in the first six months of the year. Nick Fairholme, TfL Director of Congestion Charging and Traffic Enforcement, said: "We have sought to encourage operators of non-compliant vehicles to take appropriate action to clean up their vehicles' emissions, rather than unduly penalise them. Until recently we have issued warning letters in the first instance rather than PCNs. This has been very effective and to date 93% of lorries, buses and coaches travelling in Greater London comply with the relevant emissions standards." A major beneficiary of this policy has been foreign-registered operators: they received only 84 PCNs in 2012 for breaching the LEZ, a drop on the 5,738 fines handed out in 2011. However, the rate of reduction in the number of PCNs issued to UK-registered vehicles is nowhere near as pronounced: 1,401 so far this year compared to 3,812 in 2011. At £1,000 a time, the value of LEZ PCNs owed to TfL stands at £5.38m over the past two years, with just over half owed by drivers of non-UK registered vehicles. Fairholme said recovering unpaid penalties from foreign drivers is "problematic", but added: "We work hard with our European debt

recovery agency to recover these penalties." Peter Cullum, Head of International Affairs at the Road Haulage Association, said: "These figures are disappointing but we suspected it [debt recovery] was going to be a problem as it requires a claim [to be made] in the civil courts [in European countries]." Piers Carroll, Vice Chairman of Slough-based Saints Transport, branded TfL's enforcement of the new Euro 4 standards as "absolutely ridiculous". "There are those of us, like Saints, who have spent millions of pounds to ensure compliance and what happens to the people that haven't? Not a lot. We all had the same deadline so why don't we have to adhere to the same rules?" Since 3rd July, TfL has been issuing PCNs for first offences.

Shippers need to be at the heart of maritime climate change debate says GSF

(Source: Multimodal.org.uk, 23rd October 2012) The Global Shippers' Forum (GSF) has published the 2nd edition of its Maritime Emissions Briefing Note. The Briefing Note was launched at the Clean Cargo Working Group's Fall Meeting held in Jersey City, New Jersey, USA, by Bruce Carlton, GSF Board Member and President and CEO of the National Industrial Transportation League, USA. Mr Carlton said: "We are delighted to collaborate with the Clean Cargo Working Group (CCWG) and have the opportunity of launching our Maritime Briefing Note to some of the world's leading shippers and carriers at the cutting edge of efforts to reduce maritime emissions. "The CCWG is to be applauded for its on-going efforts in championing industry best practices and developing practical industry tools and solutions to improve the environmental performance of the maritime supply chain." GSF's Maritime Briefing Note provides a comprehensive assessment of the various emissions schemes and proposals tabled by governments, the shipping industry and other non-governmental organisations currently under consideration by the International Maritime Organization (IMO). The Briefing Note also considers the main industry-based schemes, including GSF's own maritime supply chain decarbonisation initiative undertaken in conjunction with Heriot-Watt University, Edinburgh. Signe Bruun Jensen, Environment Partnership and Policy Manager of Maersk Line said: "We are really impressed with the Briefing Note. Maersk Line acknowledges the important role that shippers play in this debate, and welcomes closer collaboration to deliver tangible change in the industry." Chris Welsh, Secretary General of the GSF said: "The Briefing Note underscores the fact that shippers are increasingly driving environmental improvement, not only through collaboration with partners in the supply chain, but through competition based on carriers' environmental performance. "In developing an appropriate global market-based maritime emissions reduction scheme that will be acceptable to shippers, it must target operational efficiency, focusing on efficient management of fuel and fuel costs, and the lowest carbon cost per unit moved. We therefore welcome the fuel monitoring approach recently announced by the European Commission, which could provide the basis for accurate data on fuel consumption which could be the basis for an acceptable efficiency-focused approach going forward. It is for these reasons that GSF is calling for shippers to have a greater say in the development of any global market-based initiative to be agreed in IMO and other international bodies such as the European Union, not least because shippers will ultimately bear the costs of such schemes." The Global Shippers' Forum is the global voice for shippers, created in 2006 as the successor to the Tripartite Shippers' Group, first organised in 1994. Like the Tripartite Shippers' Group, the GSF represents the interests of shippers from Asia, Europe, North and South America and Africa. The GSF is focused on the impact of commercial developments in the international freight transportation industry and the policy decisions of governments and international organisations that affect shippers and receivers of freight. The GSF was formally incorporated and registered as a non-governmental organisation in the United Kingdom in June 2011.

REST OF THE WORLD

VW expands Puebla, disputes port charges

(Source: Automotive Logistics News, 07th November 2012) Volkswagen in Mexico has inaugurated the latest addition to its distribution warehouse for passenger cars made at its Puebla plant, which has a daily output of around 2,500 Beetle, Golf and Jetta vehicles. The carmaker has invested $1.27m in the 1,500 square-metre facility and has said it will improve logistics flow and expedite the distribution process of new cars through the consolidation of 'by-pack' operations – the parts and components that are normally added to the car on arrival at the dealership, including such things as hubcaps, the owner's manual and windscreen wipers. VW said the inclusion of the parts packaging process at the warehouse will meet the high standards of its new logistics concept now being implemented throughout the group. Last year, the Puebla plant produced 510,000 vehicles and 596,000 engines. The carmaker has also recently been critical of terminal operator SSA Mexico's operations at the port of Veracruz, now North America's busiest vehicle handling port. SSA Mexico handles 75% of the vehicle throughput at the port. However, at a recent transport and logistics seminar, VW revealed when it had to organise additional storage area at the port to handle the export of its finished vehicles SSA Mexico, which has the concession to handle this type of traffic, tried to charge VW an "unimaginable" amount of money to lease the required area. This prompted the carmaker to negotiate directly with the port authority, which subsequently agreed to offer the company a direct lease on the land at a lower cost. VW

said that this is the only way it has been able to operate at Veracruz and avoid adding additional logistics costs to outbound vehicles from its Puebla assembly plant. The company has reported robust growth in the Mexican economy and seen its passenger car deliveries within the country rise 6.2% to around 116,500 vehicles between January and September this year. Demand for the new Jetta, the Clasico and the Seat Ibiza was particularly strong according to its latest interim report. North American sales as a whole are up more than 25% to 608,500 over the same period compared to last year.

Caterpillar Logistics Services becomes Neovia Logistics Services

(Source: Multimodal.org.uk, 02nd November 2012) The business formerly known as Caterpillar Logistics Services has announced a new name and corporate brand identity, Neovia Logistics Services. Neovia provides third-party logistics solutions to the automotive, industrial, mining, aerospace and defence industries. Platinum Equity, the Los Angeles-based private equity firm, acquired a majority interest in the company from Caterpillar Inc. in July. Caterpillar retained a 35% equity stake. "The new name, which translates to 'a new path,' and our brand mark expresses our forward-thinking culture as we set off on that path," said Neovia CEO Jos Opdeweegh. "The new visual identity, in which multiple geometric shapes are brought together in a simple unified icon, symbolises the agility, flexibility and problem-solving capabilities the people of Neovia bring to our customers." Mr. Opdeweegh was named CEO in August, has extensive experience in management and logistics in Europe, the Americas and Asia. "As a world-class provider of value chain solutions, we help our customers face complex challenges every day. Neovia embraces that complexity, and works tirelessly to simplify logistics," said Mr. Opdeweegh. "We know that success lies in a customer-centred approach. We will endeavor to create value and help our customers' businesses perform even better." The company specialises in service parts logistics and also provides solutions for maintenance, repair and operations (MRO) and manufacturing logistics. "Neovia has a strong management team with a clear and compelling vision for the future," said Platinum Equity Partner Jacob Kotzubei. "The company has a long tradition of providing outstanding service to customers in multiple industries around the world. Our long-term plan is to help Neovia expand its service offering and further diversify its reach. We are excited about the prospects for the business and are committed to helping it achieve its full potential." Neovia has a global footprint with approximately 97 facilities and employees in 25 countries. The business was first established by Caterpillar in 1986.

PRESS RELEASES

Grimaldi launches a new motorway of the sea between Ravenna, Brindisi and Catania

(Source: Grimaldi Group, 08th November 2012) The shipping company **Grimaldi Group** strengthens its presence in the Adriatic Sea by announcing the launch of an innovative maritime connection dedicated to the transport of rolling units (cars, vans, trucks, semi-trailers, etc.) between the Italian ports of Ravenna, Brindisi and Catania.

The two ro-ro vessels "Eurocargo Catania" and "Eurocargo Brindisi", which recently joined the Grimaldi fleet, will be deployed on the route. Built in the Odense Steel Shipyard (Denmark) in 2011 and 2012, they are among the most highly performant ro-ro vessels used in the Mediterranean, combining low fuel consumption with high load capacity. The two vessels have, in fact, a load capacity of about 240 semi-trailers each.

The new motorway of the sea will have a three-times-a-week frequency: departures from Ravenna will be on Tuesday, Thursday and Saturday at 6.00 p.m., with arrival in Brindisi on Wednesday at 3.00 p.m., Friday at 11.00 a.m. and Sunday at 3.00 p.m. The two vessels will depart from Brindisi bound to Catania on Wednesday at 5.00 p.m., Friday at 1.00 p.m. and Sunday at 5.00 p.m. with arrival in Catania on Thursday, Saturday and Monday at 09.00 a.m.

"This motorway of the sea represents the first direct link between Sicily and Apulia, as well as between the Upper and the Southern Adriatic coast of Italy," says Emanuele Grimaldi, Managing Director of the Group. "The quality and frequency of service as well as the tonnage offered are the key elements for the success of this maritime link which will offer additional opportunities of trade within Italy while also helping to reduce traffic congestion, air and noise pollution", concludes Emanuele Grimaldi.

Through Brindisi and Catania, freight transporters will be able to use, through transhipment, other regular services of the Grimaldi Group to Greece, the Balkans, Malta and Libya. In fact, the Neapolitan group currently offers daily departures from Brindisi to Igoumenitsa and Patras while, from Catania, it performs four-times-a-week departures to Malta and weekly sailings to Libya (Tripoli, Al Khoms).

Santiago Garcia-Milà elected Chairman of ESPO

(Source: ESPO, 07th November 2012) On Wednesday 07th November, the General Assembly of European Sea Ports Organisation (ESPO) elected Santiago Garcia-Milà as its new Chairman.

The Deputy Director General of Barcelona Port Authority succeeds Victor Schoenmakers, Director Europe and International Affairs of the Port of Rotterdam, who chaired the organisation during the past four years. Mr Garcia-Milà is a long-standing member of ESPO, where he chaired for several years the organisation's Intermodal and Logistics Committee. Next to his functions in the **Port of Barcelona** and ESPO, he is also Vice-President of the International Association of Ports and Harbours (IAPH) and Secretary of Intermed, the North-West Mediterranean Ports Association.

"I am very honoured to take on the Chairmanship of ESPO", said Mr Garcia-Milà, "I fully realise that the start of my mandate coincides with the challenging prospect of reviewing Europe's policy for ports. It is important that ESPO provides a co-ordinated response to the review, underlining the need for a proportional policy that supports the developer role of port authorities."

The newly elected Chairman also paid tribute to his predecessor, Victor Schoenmakers, who will remain active in ESPO as Chairman of the Port Governance Committee. The General Assembly furthermore elected Eamonn O'Reilly, Chief Executive of the Port of Dublin, and Julian Skelnik, Marketing Director of the Port of Gdansk, as Vice-Chairmen.

Port of Genoa wins ESPO Award

(Source: ESPO, 08th November 2012) On Wednesday 07th November, Commission Vice-President Siim Kallas handed out the 4th ESPO Award on Societal Integration to the Port of Genoa for its project 'Citizens of the Port – Knowing and Living the Port of Genoa'.

This year's edition of the ESPO Award had 'youth' as a theme. The Port of Genoa presented, in the opinion of the Jury, the most convincing project for engaging with young people. The Jury was especially impressed by the comprehensive nature of the project and the number of highly innovative and interactive components it contained, which encourage young people to be curious and inquisitive about the port's activities in a very creative way.

In his word of thanks, Port of Genoa Secretary General Giambattista D'Aste said: "We are very honoured with this European recognition for our work and we would very much like to invite our colleague port authorities to Genoa to share experiences." With that invitation, Mr D'Aste responded to the suggestion of the Chairman of the Jury, John Richardson, for the award winner to organise, with the help of ESPO, a day's workshop to present its programme, explain why it has been a success, and show its results. Mr Richardson also invited ESPO to do something around children's art: "Over four years now, we have noticed how often schoolchildren have produced paintings or drawings after visiting their port, and how often the ports have chosen the best among these to mount an exhibition or produce a brochure. We would encourage ESPO to examine whether something similar could be done at the European level."

As every year, the Award ceremony was held in the Town Hall of Brussels. The event was followed by a walking dinner at the Hotel Amigo, which was attended by more than 200 representatives from the European port and transport sector and EU institutions. The theme for next year's competition is 'heritage' and focuses on contemporary use and disclosure of port heritage. The competition will open on 15 January and run until 15 July. Details on application and selection criteria as well as application forms will be available from the ESPO website as from the day the calls open.

The 23 projects that participated in this year's competition have been brought together in a brochure which can be downloaded here:
http://www.espo.be/images/stories/events/2012/espo_award/espo_award2012%20booklet.pdf

European automobile manufacturers call for EU policy on automotive industry to be translated into urgent action

(Source: ACEA, 08th November 2012) Between 2007 and the end of 2012 new car registrations are expected to have dropped by over 3 million. This translates into a fall from 15.5 million to about 12 million units - making 2012 the worst year since 1995.

“Vehicle sales will not recover to pre-crisis levels in the near to mid future, so the industry needs to adjust for the overcapacity that exists,” stated Ivan Hodac, Secretary General of the European Automobile Manufacturers’ Association (ACEA). According to ACEA, the current average overcapacity across Europe is in the range of 25-30%. This overcapacity is not evenly spread across Europe; some manufacturers are operating at 50-60% of their capacity, whereas others are at 80-90% or even higher.

A number of European manufacturers have already announced that they have no alternative but to implement significant restructuring plans. It is highly likely that there will be further such announcements over the coming months.

Now more than ever, the industry needs a supportive framework and strong industrial policy in order to keep jobs and production in Europe. ACEA therefore welcomes the European Commission’s recent Communication on Industrial Policy as well as CARS 2020, the action plan that it launched today for a competitive and sustainable automotive industry in Europe.

The industrial policy and CARS 2020 put the focus on developing long-term policies and facilitating investments for the future. “This is necessary but not sufficient,” explained Mr Hodac. “Recent events show that the car industry in the EU is undergoing an important process of adaptation and restructuring right now. The EU should urgently use all the means at its disposal to mitigate the social and economic consequences of this process.” In particular, it should explore ways to improve labour flexibility and support the affected workers and regions.

In such a contracting market, care needs to be taken not to add further pressure on overcapacity and employment by concluding unbalanced trade agreements. Hodac: “We cannot afford to open up our markets in times of crisis unless there is a level playing field.” It is therefore essential that the EU and member states assess the cumulative impact of existing and potential free trade agreements.

ACEA supports a number of proposals made in the Communications, such as making ‘clean vehicles’ an investment priority; carrying out a ‘fitness check’ of EU legislation on type-approval of motor vehicles; and conducting a ‘competitiveness proofing’ of all major initiatives that have a significant impact on the automotive industry in the areas of trade, transport, energy and climate policy. Indeed, as suggested by a number of Member States recently, the Competitiveness Council should play a major role in this initiative. Smarter, more co-ordinated and streamlined regulation is needed to reinforce the automotive industry’s competitiveness, and benefit the European economy as a whole.

“Both Communications contain good principles. It is urgent that these are now translated into real action. Although past experience has taught us that this is not always the case, we trust that the CARS 2020 monitoring process that the Commission intends to set up will make a difference this time,” went on Hodac.

EVES-Rail study: EU-wide imposition of vertical separation in rail would raise costs for society

(Source: CER, 05th November 2012) A study by an international consortium of transport economists has concluded that no particular structural model outperforms all others. No evidence is found that competition within the rail sector works better with vertical separation than with a holding company. The EU should therefore opt for a policy of free choice of structural model for the rail sector.

The EVES-Rail study (Economic Effects of Vertical Separation in the Railway Sector) was carried out by an international research consortium headed by Inno-V (Netherlands) and including researchers from the Institute for Transport Studies at the University of Leeds (UK), the Free University of Amsterdam (Netherlands), Civity Management Consultants (Germany), and the universities of Kobe and Fukuyama Heisei (Japan).

EVES-Rail was commissioned and financed by the Community of European Railway and Infrastructure Companies (CER).

Rather than relying on a single methodological approach, EVES-Rail brings together several lines of evidence based on separate quantitative and qualitative research efforts.

Quantitative assessments are made of the effect of vertical separation on the sector’s cost efficiency, its modal share, state spending, and competition within the sector.

The study also develops a structural analysis of the incentives of the infrastructure manager and of railway undertakings (operators), and how these incentives may lead to efficient or inefficient outcomes for the rail system as a whole depending on which structural model is in place.

EVES-Rail finds that the effect of vertical separation on rail system costs is not a single positive or negative number that would occur identically in every country. On the contrary, the effect of vertical separation depends on structural characteristics that vary between countries. The substantial country differences within the EU thus call for a differentiated approach, rather than a one-size-fits-all model imposed on all Member States.

Looking at rail sector performance in terms of modal share and in terms of state spending, EVES-Rail finds no evidence that any particular structural model outperforms all others. Furthermore, no evidence is found that competition within the rail sector works better with vertical separation than with a holding company model.

In sum, EVES-Rail finds that rail sector costs would increase in case of a universal imposition of vertical separation in the European Union for no added benefits in terms of any key measure of performance.

The EU should therefore opt for a policy of free choice of structural model for the rail sector, including the right for Member States to switch freely between the vertical separation model and the holding company model depending on national circumstance.

“The work done by the consortium is solid and convincing,” stated CER Chairman Mauro Moretti. “It demonstrates how the imposition of one single European model for all national rail systems would lead to increasing costs for all stakeholders. Today member states' budgets could not cope with the rising costs deriving from such a reform, nor could the European citizens. We are confident that the European Commission will carefully reflect on today's discussion and that the proposal will fully take into account the results of this study. ”

CER Executive Director Libor Lochman stated: “Policy-makers have a duty to ensure that benefits outweigh costs for any reform they propose. EVES-Rail provides the cutting-edge analysis they need for the case of rail.”

To see the full report please click here:
http://www.cer.be/publications/studies/2363-economic-effects-of-vertical-separation-in-the-railway-sector

Sevatas gains ISO 14001 and 9001 accreditations

(Source: Sevatas, 02nd November 2012) Sevatas, Europe's leading provider of risk management, claims and damage reduction solutions to vehicle manufacturers and their insurers, are celebrating after achieving both the ISO 14001 and 9001 accreditations.

After months of hard work and rigorous assessment, Sevatas are delighted to announce their achievement of the ISO 14001 accreditation. This certifies their commitment to environmental management and controlling those aspects of their business which have a significant impact on the environment.

Sevatas has also worked economic and green concepts into its supply chain, selecting and working with partners and suppliers to monitor their environmental compliance ensuring a sustainable future.

Environmental Officer Juliet Hood commented, “As well as reducing our usage of consumables, such as paper and electricity, we avoid compromising our excellent client service which sometimes requires both national and international travel by selecting low emission vehicles and asking our staff to make appropriate use of public transport where possible”.

In September, Sevatas also renewed their ISO 9001 accreditation. This certifies their commitment to quality management as well as recognising their drive to continuously improve their business. Sevatas has held this accreditation for 20 years.

Managing Director Kevin Collins added, “The quality of what we do has always been the most significant priority of our business. Renewing our ISO 9001 accreditation demonstrates our commitment to the ongoing improvement of our business and keeping the client experience at the heart of everything we do”.

“Taking responsibility for our environmental impact is also high on our agenda and an important part of being a responsible business within our communities. The ISO 14001 accreditation sits comfortably alongside the charity fundraising and volunteering our staff undertake as part of our wider approach to Corporate Social Responsibility”.