ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 13.13, 25th – 29th March 2013

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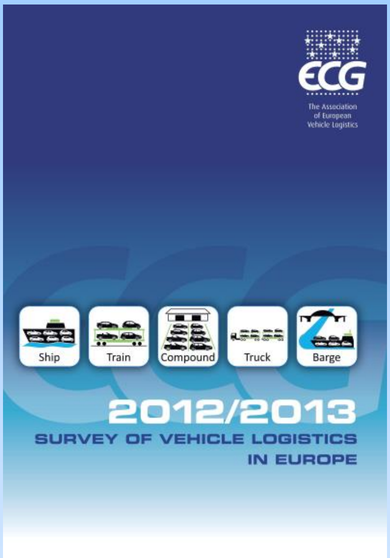

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NEWS FROM BRUSSELS

Final report on the ECG Dinner Debate 2013 now available on the ECG website!

(Source: ECG & Dods EU Monitoring, 26th March 2013) Last week we published our press release following the ECG Dinner Debate 2013, which was held on Tuesday 19th March in the European Parliament. You can now find a detailed report on the insightful presentations and lively discussions, provided in co-operation with Dods EU Monitoring, by clicking on the following link: http://www.ecgassociation.eu/Activities/ECGDinnerDebates/ECGDinnerDebate2013.aspx

A European Electronic Toll Service and a road vignette for light private vehicles discussed by the EP TRAN Committee

(Source: TRAN Newsletter, 21st March 2013) On Tuesday 19th March, the Rapporteur, Irish MEP Jim Higgins, discussed with the members of the EP Transport and Tourism Committee (TRAN) his draft report on a European Electronic Toll Service (EETS) and a road vignette for light private vehicles. The draft report mainly emphasises the need to create an effective and interoperable EETS; to avoid road vignette systems that discriminate against occasional users; to allow Member States to set the amount charged for road use and to decide how to spend the revenues collected; to favour distance-based rather than time-based systems; to create a common European road sign informing road users about toll services and their fares and to develop on-line payments. The TRAN Committee welcomed all these proposals. Some members pointed out the need to assess the consequences of EETS on data protection rules and to ensure that no toll system would weaken the principle of free movements within the European Union. The Commission welcomed the draft report and informed the Committee that the EU was currently the world leader regarding electronic tolls. It believes that the EETS could be developed through a step-by-step, regional approach. The vote by the European Parliament in plenary session should take place in May 2013.

ECG Note: *We are pleased to announce that MEP Jim Higgins will speak at the ECG Spring Congress and General Assembly in Dublin, Ireland, on 23-24th May 2013. For more information, see: http://www.ecgassociation.eu/Activities/ECGSpringCongressGeneralAssembly/SCGADublin2013.aspx*

Three draft reports on the "Roadworthiness Package" discussed in the EP TRAN Committee

(Source: TRAN Newsletter, 21st March 2013) On Tuesday 19th March the Rapporteurs, MEPs Werner Kuhn, Olga Sehnalová and Vilja Savisaar-Toomast, discussed within the TRAN Committee three draft reports related to the "Roadworthiness Package". Mr Kuhn's draft report on roadworthiness testing was generally welcomed by most members. However, there were diverging views on organisational aspects of the inspections. The structure and organisation of operators dealing with roadworthiness testing vary with Member States. Many members stressed that some Member States with good results in terms of road safety do not apply a strict separation of repair and control activities. Some members questioned the proposed testing of tractors and light trailers. In addition, some members recalled that the proposal was aiming at both road safety and environmental protection. In her report, Ms Sehnalová stressed the huge differences between Member States on how technical roadside inspections are carried out. She said the proportion of vehicles found not to be compliant with roadworthiness requirements ranged from 0.3% in one Member State to 63% in another, with significant differences even between neighbouring countries. Some

Member States performed an elaborate test procedure when others carried out a visual inspection or simply controlled the documentation. Therefore she supported the Commission proposal, in particular to introduce a risk rating system for the selection of vehicles to be subject to a technical roadside inspection. She thought that the Regulation should include tractors used for commercial purposes and that the training of the inspectors performing the initial roadside check should also be considered. Concerning the registration documents of vehicles, the Commission proposal defines the place of registration and introduces the withdrawal and the cancellation of registration certificates. New requirements concern electronic registration databases, re-registration, the destruction of vehicles and the follow-up of roadworthiness test results. In her report, Ms Savisaar-Toomast supported the proposal and suggested the following amendments for coherence with existing legislation and to reduce administrative burden: the reduction in physical size of the registration certificate and the inclusion of a hyperlink to the roadworthiness tests so as to reduce the number of papers drivers have to carry; the possibility for the vehicle owner to cancel the registration of a vehicle so as to be exempted from further liability; the recognition by all Member States of the validity of roadworthiness tests. The TRAN Committee generally welcomed the draft report. The main issues to be discussed further were the need to connect or create databases and the liability after the sale but before the re-registration of a vehicle. The vote by the European Parliament in plenary session should take place in June 2013.

Environment Committee approves ship recycling levy

(Source: ESPO – European Sea Ports Organisation, 26th March 2013) The Committee on Environment (ENVI) of the European Parliament voted on Tuesday 26th March in favour of the draft report of MEP Carl Schlyter (Greens EFA) on the proposed ship recycling regulation. Members of the European Parliament (MEPs) approved the controversial compromise amendment that introduces a tonnage-based levy of €0.05 per gross tonnage, to be charged on all ships calling at EU ports, irrespective of their flag. This proposal would substantially increase the cost of calling at EU ports, resulting in traffic evasion to non-EU ports, distortion of calling patterns and modal backshift to land-based modes. "The result of the vote does not come as a surprise," said ESPO Secretary General Patrick Verhoeven. "All our efforts to make MEPs aware of the grave implications of the levy hit against a wall, even with those ENVI members that are familiar with the competitive nature of our industry. We will now step up our lobby actions to persuade other MEPs and Member States to reject this damaging proposal," he added. The European Parliament (EP) will vote on the report in plenary session on 11th June. A proposal of the ENVI Rapporteur to get a mandate to enter in direct negotiations with the Council in view of reaching a first reading agreement was rejected. This means that the current ENVI report will first be voted in the EP plenary. The result of this plenary vote will then be the basis for further negotiations with the Council. So far, Member States have sought to bring the regulation proposal more in line with the 2009 Hong Kong Convention. The International 2009 Hong-Kong Convention (HKC) and implementing guidelines set up a global framework to improve the conditions applicable to recycling operations by placing relevant obligations on both ship owners and recycling facilities.

Regional leaders call for "flexibility" on new "green shipping" rules

(Source: TheParliament.com, 26th March 2013) Leaders from Europe's regions have called for "more flexibility" in implementing new EU rules on "green shipping". They say the timescale for introducing "drastic" reductions in sulphur emissions from ships is too short. A conference heard that the new rules, contained in a Directive adopted in 2012, will require "considerable" investment from both port authorities and ship owners. Delegates supported the Directive's environmental aims in seeking to achieve "greener" shipping. A final declaration

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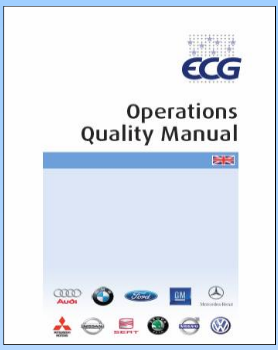

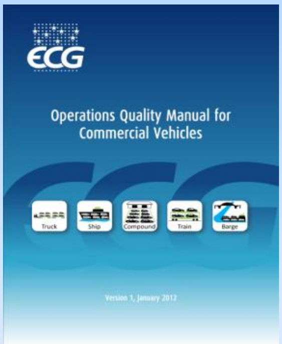

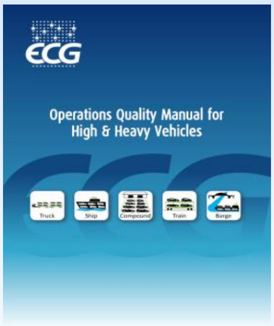

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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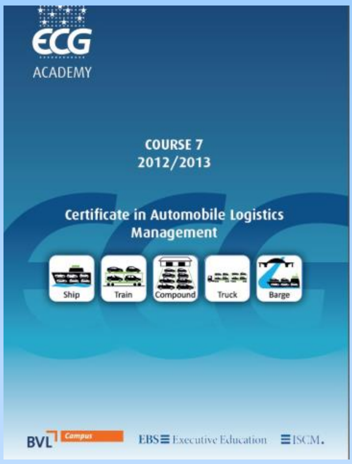
Course 8 will commence in October 2013.



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said they "wanted to contribute to a better implementation of these provisions in supporting ship owners and stakeholders in their adaptation efforts." However, the adjustment period envisaged by the Directive was deemed to be "very short" by the conference organiser, the Conference of Maritime and Peripheral Regions (CPMR). The Rennes-based organisation is now urging Member States, the Commission and the International Maritime Organisation (IMO) to show "flexibility" in the implementation of the Directive. Wulfran Despicht, a representative from Calais, said: "The implementation of this Directive may generate economic and industrial opportunities for the regions. Yet I wonder if the various economic players have been made sufficiently aware of the issues relating to the implementation of the Directive, and above all, if the investment can be funded after 2015 and by whom." CPMR Secretary General Eleni Marianou said that regions had "not been sufficiently involved in the implementation of the European maritime transport policy." Further concern was raised by Jean-Marc Roué, President of Brittany Ferries, the largest maritime employer in France. He said: "It is heresy to curb the emissions according to this Directive. The regulation has been known since 2008, but investment in ships is planned over 25-30 years. Ship owners can respect this Directive from now for new vessels, but for old vessels an extension is needed, if we are to avoid an economic catastrophe." Meanwhile, Members of the European Parliament (MEPs) voted on Tuesday 26th March on new rules for recycling ships and financial support for redundant workers. They also met their national counterparts to discuss the implementation of European environmental legislation as well as how the EU can help to prevent conflicts. The Environment Committee voted on new rules to ensure that old ships from the EU are recycled in a way that respects workers' health as well as the environment. In addition Committee members discussed with representatives of national parliaments how the EU's environmental laws can be better implemented in the EU Member States.

ECG Note: *With regards to the Sulphur in Marine Fuels Directive, an ECG priority, please see the news about a report published by AMEC for the UK Chamber of Shipping under the "Press Releases" heading of this issue.*

EU and Japan agree to launch trade talks

(Source: Euractiv.com, 25th March 2013) The European Union and Japan agreed on Monday 25th March to launch talks on one of the world's most ambitious trade deals despite opposition from European carmakers, a test of how far both sides are willing to go in their hunt for economic growth. Japanese Prime Minister Shinzo Abe, European Commission President José Manuel Barroso and European Council President Herman Van Rompuy discussed the plan by phone after Brussels postponed an EU-Japan summit scheduled in Tokyo to hammer out a last-minute deal to resolve the Cyprus financial crisis. "The leaders decided to launch negotiations for an agreement covering political, global and sectorial co-operation," Abe, Van Rompuy and Barroso said in a joint statement. "The leaders welcomed the start of the negotiations in April 2013 and expressed their commitment to the earliest possible conclusion of these agreements," the statement added. Brussels and Tokyo want to deepen a relationship that encompasses one-third of global economic output but is hampered by regulations closing industries to outsiders. The first round of formal talks expected in April would mark about three years of difficult negotiations in which Japan will try to win greater access to the EU market of 500m consumers for its cars, electronics and investment. The Europeans will push for business in lucrative Japanese markets such as processed food and railways. Japan already has low or zero import tariffs on many EU goods, so the real prize for Europe is removing special regulations on everything from music to imported cars. Reform-minded Abe, who was elected in December, has so far given positive signals his government is ready to move, allowing two European companies to join bidding for Tokyo railway contracts. European carmakers, however, doubt Tokyo's commitment to open up its market. "We're more than deeply sceptical. There's not a single foreign car manufacturer

ECG AGENDA

► **ECG office closed** on **1st April 2013**

► **ECG UK & Ireland Meeting** on **09th April 2013** in Birmingham, United Kingdom

► **ECG Eastern Europe Meeting** on **18th April 2013** in Cracow, Poland

► **ECG office closed** on **1st May 2013**

► **ECG Board Meeting** on **8th May 2013** in Munich, Germany

► **ECG office closed** on **9th & 20th May 2013**

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

► **ECG Board Meeting** on **26th June 2013** in Stuttgart, Germany

► **ECG / ACEA Meeting** on **27th June 2013** in Stuttgart, Germany

► **ECG / ACEA Meeting** on **10th October 2013** in Berlin, Germany

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

► **ECG Spring Congress & General Assembly** on **22nd & 23rd May 2014** in Athens, Greece

in Japan, so there's really no possibility to enter the market," Stephen Biegun, Ford Vice-President of International Governmental Affairs, said. At first sight, the EU market is more protected than Japan's, with a 10% tariff on imported Japanese cars and 22% on trucks. But EU carmakers say numerous barriers hinder exports. One is Japan's use of its own safety and environmental standards rather than international ones adopted by the EU, which makes approvals costly and time consuming. Another contentious issue is Japan's category of "light" cars. These benefit from tax breaks, but most small European cars do not fit the category's criteria on size and power. Such rules particularly annoy France and Italy, whose automakers specialise in smaller cars and struggle with foreign competition and a shrinking market at home. Car sales in Europe fell to their lowest level in at least 23 years in February. EU trade negotiators have been told to pull the plug on talks after a year if Japan does not show sufficient willingness to bring down its non-tariff barriers.

ACEA calls for parity in trade talks

(Source: Automotive Logistics News, 27th March 2013) As the European Union and Japan begin negotiations on a Free Trade Agreement (FTA), the European Automobile Manufacturers' Association (ACEA) has reiterated its calls for Japan to remove non-tariff barriers so that European brands are able to compete on an equal footing. "We are strongly in favour of FTAs that are balanced and that provide real opportunities for export," stated Ivan Hodac, ACEA's Secretary General. "However we still have some reservations about a FTA with Japan. We question its potential to create sufficient opportunities for European exporters to counterbalance the greater access to the EU which Japanese manufacturers will gain as a result of tariff reductions." The proposed agreement would require the EU to dismantle its existing 10% customs duties, which ACEA said would represent a saving of €1.2bn a year for Japanese carmakers and of €1,500 per vehicle. Hodac called for acceptance by Japan for EU type-approved vehicles to be sold there without the need for further certification or modification. ACEA said it would work constructively with the European Commission and other relevant stakeholders to ensure that Japan fulfils its commitments to eliminate non-tariff barriers in the automotive sector. According to the European Commission's trade impact assessment report published in 2012, "barriers" encountered by EU-based carmakers in Japan are mainly technical issues related to emission, safety and noise standards, which cause extra conformity assessment, development and production costs for EU exporters. However, speaking for the European office of the Japanese Automobile Manufacturers' Association (JAMA), Director General Kazuhito Asakawa stressed that regulations governing safety and environmental standards were not barriers to trade but are put in place by the Japanese government only with the intention of "protecting the Japanese people." Asakawa also said that JAMA was involved in discussions with ACEA to make sure standards were harmonised. "For Japanese manufacturers, just like European manufacturers, harmonised regulation will be beneficial," he said. According to ACEA, however, Japan also needs to speed up the compatibility of its vehicle standards with United Nations (UN) regulations and revise the privileges afforded to its super-mini cars. This was not something Asakawa had a stance on in relation to free trade between the two regions but he did say that the FTA would promote the economies of both regions and allow their respective car industries to benefit. "I have never seen such an agreement disadvantage an economy," he added. This echoed the statement made by JAMA's Chairman Akio Toyoda who highlighted the mutually beneficial partnerships its members had with European companies. "The Japanese automobile industry's longstanding presence in Europe reflects its significant investment in the region over many years, where acting on the principles of competition and co-operation has allowed it to establish an ever-growing number of mutually beneficial partnerships with its European counterparts," he stated. He said the agreement would promote trade, investment and industrial co-operation, and lead to growth and expansion of the car industry in both Japan and Europe. Despite this, ACEA is urging for what it called "the real

Events in Brussels

Transport and Energy Management Conference by CEN-CENELEC on 10th April 2013.
ECG will attend

Dinner Debate on "Expections of the Transport Sector on the Revised Public Service Obligation Regulation" by MEP Boguslaw Liberadzki in the European Parliament on 07th May 2013.

11th European Business Summit on "Unlocking Industrial Opportunities: An EU Strategy for Competitiveness?" by Business Europe and FEB – Federation of Enterprises in Belgium on 15th and 16th May 2013.

CER 25th Anniversary: "25 years of CER and EU Transport Policy: On the right track for a single European railway area?" by the Community of European Railway on 17th June 2013.
ECG will attend

Dinner Debate on "What does the Automobile Industry expects from the Fourth Railway Package?" by MEP Boguslaw Liberadzki in the European Parliament on 18th June 2013.
ECG will attend

and effective elimination of non-tariff barriers in the car sector." It said it welcomed the fact that in twelve months, the European Commission will assess whether Japan's progress in this regard was "fully satisfactory", adding that the Commission had indicated it would "pull the plug" on the negotiations if it failed.

European Commission investigates London over pollution cheating claims

(Source: TheParliament.com, 26th March 2013) The European Commission is investigating claims that the UK used glue to stick dust to the streets of London during the 2012 Olympics in an attempt to avoid pollution fines, reports *The Telegraph*. It is reported that the so-called "dust suppressants" were sprayed along busy streets in London to pick up dust and keep the air clean, avoiding multi-millions euros worth of fines. The newspaper says the claims are being taken seriously by the European Commission, which is now investigating whether London officials broke the rules.

AUTOMOTIVE INDUSTRY

EU politicians back compromise on car emissions targets

(Source: Automotive News Europe, 20th March 2013) EU politicians have backed a compromise that would give carmakers limited leeway in the race to cut CO_2 emissions in line with targets while rejecting German calls for more lenient rules. The European Commission is seeking to enforce a goal for the EU car fleet of 95 grams of CO_2 per kilometre by 2020, down from 130g/km by 2015. Germany has led demands for loopholes, known as "super-credits". These would enable manufacturers to carry on making powerful, more polluting cars, provided they also made very low-emission vehicles, such as electric cars. On Tuesday 19th March, in the first of a series of European Parliament votes, the Industry Committee voted to cap the extent to which super-credits can be used at 2.5g/km of CO_2 per year. "The compromise on super-credits strikes a balance, giving industry more flexibility and incentives to invest in low-carbon cars while not watering down the agreed 2020 target," said British Liberal Democrat Fiona Hall, who steered the Committee debate. "A 2.5g cap per manufacturer per year equates to low-emission vehicles being eligible for super-credits up to the point where they account for around 6% of total EU car sales each year," she added. While non-binding, Tuesday's vote was a test of the parliamentary mood. Ireland, current holder of the rotating EU Presidency, is seeking a political agreement on the law before the end of June. The issue of how strictly to enforce European Union efficiency rules to reduce fuel use, curb reliance on expensive oil imports and lower greenhouse gas emissions has divided the car industry. The goal is measured across a car manufacturer's fleet of vehicles. Campaign groups oppose any dilution of the EU's CO_2 reduction targets. "Super-credits weaken the regulation. This is 2.5g of fuel economy that drivers will not achieve, 2.5g of carbon dioxide that is emitted into the atmosphere," Greg Archer, Programme Manager at Transport & Environment (T&E), said. The Commission has used modelling to predict that implementation of a 95g/km target for cars by 2020 and 147g/km for vans would result in fuel savings of 160m tonnes of oil equivalent over the decade to 2030. In financial terms, research has foreseen annual gains of €33bn by 2030 to feed into the wider economy, as households and businesses pay less on fuel. It also predicted high-tech jobs would be created. Germany and its carmakers have meanwhile pressed for unlimited super-credits. But a Commission document said the German proposals undermined the plans to limit emissions. EU diplomats, speaking on condition of anonymity, refuted that view, questioning the data used by the Commission analysis. The EU has led attempts to cut vehicle emissions as part of its efforts to tackle climate change, but the United States is catching up. US President Barack Obama has launched clean car standards which he said would nearly double fuel efficiency by 2025

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compared with that of vehicles already on the roads. Comparison is not precise, but non-profit research organisation the International Council on Clean Transportation said the US standards equated to 93g/km of CO_2 by 2025, for ordinary cars, excluding Sports Utility Vehicles.

EU needs stricter car CO_2 standards to keep driving affordable, consumer body says

(Source: Automotive News Europe, 25th March 2013) High oil prices will make driving a car less and less affordable unless the European Union's vehicle industry faces more stringent emissions limits than those the European Commission is battling to enforce, BEUC, the body representing European consumers said. For the consumer and the EU, keen to limit costly oil imports, the way forward is cars that use as little fuel as possible, BEUC said. It urges the EU to set a CO_2 limit for new cars of 70g/km for 2025 in addition to the 2020 95 g/km goal the Commission has already proposed. "Spikes in fuel prices cause immediate and financial pain for many consumers. A target for 2025 would therefore make consumers less vulnerable towards significant increases in fuel prices," Monique Goyens, Director General of BEUC, said. *Which?*, BEUC's British member carried out a survey that found fuel costs were the number one consumer worry following an average increase in prices across the European Union to €1.6 from 1€/L for gasoline and to €1.5 from 93 cents for diesel between 2005 and 2013. Technology changes to make cars use less fuel are expected to add to the purchase price of a new vehicle, but the Commission and academic research say that would be offset by fuel savings in roughly three years. The European Parliament held the next of a series of Committee votes on Tuesday 26th March on proposals for 2020 vehicle CO_2 standards.

German union bosses approve Opel deal despite split

(Source: Automotive News Europe, 27th March 2013) German trade union IG Metall's Federal Executive Board approved a labour deal with Opel on Wednesday 27th March, paving the way for the General Motors' unit to begin restructuring its domestic operations. The approval came despite a split in the workforce after employees at Bochum, whose vehicle plant is scheduled for closure, overwhelmingly rejected the deal. "Now that the last formal step is over, we can begin implementing the Deutschland Plan," an Opel spokesman said. As part of the deal, Opel aims to reduce its structural costs by a total of $500m by the middle of the decade, at which time it aims to be profitable. Under the agreements reached with labour, Opel rules out compulsory layoffs until the end of 2016 at the remaining three German manufacturing plants in Ruesselsheim, Eisenach and Kaiserslautern. The IG Metall boss for the region including Bochum, Knut Giesler, expressed his regret that roughly three-quarters of the 3,000-strong plant workforce rejected the deal at the recommendation of their labour leader Rainer Einenkel. As a result, Opel has withdrawn concessions which would have kept some operations going longer, and said it now plans to end transmissions assembly by the end of 2013 and shut production of the Zafira model by the end of 2014. "No further negotiations on the proposed labour agreement will take place," the Opel spokesman confirmed. Opel's senior labour leader Wolfgang Schaefer-Klug attacked Einenkel's stance, saying that no car plant that Opel closed in the past 12 years ever secured such favourable terms. A labour source called Einenkel a "tragic figure" whose conviction he could keep the plant alive ended up backfiring. "He missed the time point when he had to change his stance and tell his workforce that a closure was inevitable. Instead his entire works council drove down a one-way street at 230km/h right into a wall," the source said.

Nissan starts European production of Leaf EV

(Source: Automotive News Europe, 28th March 2013) On Thursday 28th March, Nissan started production of the Leaf electric car for European markets at its factory in Sunderland, northeast England. Nissan, which has been importing the

Leaf from Japan, said it has made a hundred changes to the model, including boosting its range to 199km from 175km. Nissan said it has cut Leaf manufacturing costs by a third. In one example of how the carmaker has lowered production costs, the doors of the Leaf are made of steel instead of the more expensive aluminium doors on the Japanese-built car. No prices have been announced for the revised Leaf but Nissan has confirmed that the entry version will start below the current price when deliveries start in June. The Leaf price had already been cut by €3,000 in January. Leaf sales have been hampered partly by its high price compared with similar sized gasoline and diesel cars. In 2012, Nissan sold 5,210 Leafs in Europe, well short of the 9,000 predicted by Nissan Europe Sales Manager Paul Willcox. Nissan has not revealed production targets for the UK-built car, which is manufactured on the same production line as the Qashqai compact SUV. The car's lithium ion batteries are also built on the same site in Sunderland. The Leaf has a European parts content of 90%, John Martin, Head of Manufacturing and Supply Chain Management for Europe, said. He added that UK content made up 34%. Martin said that the high-value aluminium and copper battery electrodes used in manufacturing are still imported from Japan. "We're looking to localise that but right now there's no need, because of volume," he said. Nissan said the combined investment to move car and battery production to the UK totalled £420m. The transfer brings the number of Leaf factories to three, following the start of production at Nissan's Smyrna, Tennessee plant in January this year. Nissan's Sunderland plant built 510,572 vehicles in 2012, including the Juke and Note as well as the Qashqai.

EUROPE

GM-GEFCO project begins in Europe

(Source: Automotive Logistics News, 27th March 2013) From Monday 1st April, General Motors Europe will implement the outsourcing of its logistics planning, operations and purchasing to logistics provider **GEFCO**. Acting as a 4PL for the carmaker, GEFCO will manage GM’s inbound and outbound supply chain across Europe, Russia and Turkey, combining volumes with its established transport and logistics services for PSA Peugeot Citroën, its former majority owner, as well as its other customers. The contract, which was signed at the end of June 2012, following a wider alliance between the two OEMs, means the distribution of around 1m vehicles across GM’s brands and the distribution of finished vehicles produced in Europe as well as imports such as Chevrolet from South Korea, and Cadillac and Corvette from North America. It will also mean control of inbound material from European suppliers or ports to GM’s assembly and powertrain plants in Germany, Poland, Spain, the UK and Russia. GEFCO will also be responsible for the transport of aftermarket service parts from suppliers and plants to GM warehouses, but not for final distribution to dealers. In total, the network comprises nearly 30 sites between GM and partner assembly and powertrain plants, aftermarket warehouses and ports of discharge. Combining GM flows with those of PSA is expected to cut costs, bring in greater standardisation and improve performance according to the company. “When we started to build the logistics alliance with GEFCO 4PL here in Europe, we were driven by the thought that there are opportunities to optimise networks differently,” said Andreas Ginkel, Director of the logistics alliance at Opel. “It must make a difference to buy logistics services for 5m cars per year versus 1m. Even if the difference is just a few percentages over a number of years, the savings will be enormous,” Ginkel added. This point was backed up by GEFCO’s General Director, Luc Nadal, when he made it clear that GEFCO’s objective would be to lower the overall share of logistics costs per vehicle. “As a 4PL, the main driver is no longer the price of transport itself, but to reduce the total cost of logistics per vehicle,” he said during a press conference in Paris last summer. “GEFCO’s goal will be nothing short of lowering GM’s logistics costs,” he added. Benefits are also likely to come from GEFCO’s integral role in the development of a new rail freight corridor linking Europe with Asia, planned by its new majority stakeholder Russian Railways (RZD). Antoine Redier, who is Ginkel's counterpoint at GEFCO as 4PL Director, said that he expected more activity to emerge on the Eurasian land route, thanks in large part to Russian Railways’ stake in the company. The GM contract is expected to increase GEFCO's revenue and the number of vehicles it handles by about 20%, to 5m units per year. Sources have said that the carmaker and GEFCO had been holding meetings with all of GM's logistics providers to talk directly about how the change will impact them. While GEFCO has maintained that there will not be a shift in the supplier base, the provider is expected to take over invoicing and freight audit processes. While neither company has yet to confirm staff changes, many of the current Opel/Vauxhall and Chevrolet employees working in logistics are expected to be transferred to GEFCO. Ginkel also said that in many cases, providers would be selling their services to the same person as prior, but "rather than a GM or Chevrolet hat, he will be wearing a GEFCO hat." Ginkel added that the use of a 4PL should help the carmaker to truly “engineer logistics concepts,” rather than simply issue RFQs for the lowest bidder, and he suggested that the GEFCO agreement will lead to logistics trade lanes and concepts being engineered well in advance of the end of contracts, effecting a more optimised logistics. “One of our core expectations from our alliance with GEFCO as a 4PL is more planned engineering rather than just executing orders,” added Ginkel. GM also expects to gain greater data transparency, which will help it understand how

logistics costs fit into total supply chain and better inform business decisions. Ginkel said that GM would retain fundamental control of its logistics costs and operations, despite the management and purchasing being transferred to GEFCO, to make sure that they are beneficial to the carmaker and also fair to other logistics providers. “We have not given up our responsibility. We will stay there and act as partners, which we owe to all of our logistics partners,” said Ginkel. “We are proud to have found GEFCO as 4PL to leverage volume, optimise networks and help, or even force us, to standardise and execute the final control.”

Volkswagen enhances logistics at Emden

(Source: Automotive Logistics News, 27th March 2013) Volkswagen has recently held a meeting at its Emden plant in Germany to discuss the progress of a range of improvement and innovation projects being undertaken there, as well as to provide an outlook on the challenges ahead for the plant. The focus of discussions this year was on preparations for production of the next-generation Passat and the increase of manufacturing efficiency. Amongst the supporting logistics innovations being implemented at Emden, VW is reducing production time through the use of RFID technology, which enables members to identify and document vehicles throughout the production process. According to VW, the use of RFID reduces production time and increases process reliability, compared to the previous manual entry of barcodes. VW is also building a 40,000m^2 logistics centre, due to open during next summer. It is designed to reduce truck traffic at the plant through the use of a centralised goods entrance and will also feature production supply without the use of forklift trucks. “With the completion of the new technology and training centre in September 2013, the Emden plant will also better qualify the staff and thus increase the level of production quality further,” said the company in a statement. Peter Jacobs, Chairman of the Emden plant, said that construction at the plant will strengthen future viability and secure employment for VW’s workforce. He also said the company was facing the challenges of the current market and that to secure a sustainable future it was essential to develop policies beyond 2013. This included aligning the factory so that other models can be built there. Volkswagen is planning a fourth model at Emden, where it currently builds the Passat Saloon. It is also the only plant to produce the Passat Variant, Passat Alltrack and the Volkswagen CC. The plant is located in the vicinity of the Port of Emden, which exported 1.26m vehicles in 2012. Emden has become the third-largest automobile shipment port in Europe, after Zeebrugge and Bremerhaven. Vehicles from the European and overseas plants of almost all Volkswagen Group brands pass through the Port. Every year, about 800 ships, 80,000 rail cars and 40,000 trucks come to the Port to deliver or collect vehicles. About 5,500 vehicles pass through the Port every working day.

UK’s FTA welcomes HGV Road User Levy Act

(Source: Thinkinghighways.com, 12th March 2013) The UK’s Freight Transport Association (FTA) has welcomed the Heavy Goods Vehicle (HGV) Road User Levy Act, which has become law. The levy will mean that foreign-registered lorries will have to pay to travel on UK roads, something that UK vehicles already have to do to drive in many European countries. The levy, which will be introduced in April 2014, will be a time-based charge of up to £1,000 a year or £10 a day and will apply to lorries weighing more than 12t using UK roads. By law, the scheme cannot discriminate between UK-registered vehicles and those from elsewhere in the EU, so this charge will apply to all lorries but, for the vast majority of UK operators, this will not mean an increase in costs as they will be compensated through a reduction in Vehicle Excise Duty (VED). James Hookham, FTA's Managing Director of Policy and Communication said: "FTA has supported the idea of a charge on foreign vehicles for many years as a way of partly addressing the competitive differences between British-registered operators and foreign-registered vehicles. 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, and so far, these have been met.”

REST OF THE WORLD

Ro-Ro growth numbers in Brunswick

(Source: Automotive Supply Chain, 25th March 2013) Georgia Ports Authority Executive Director, Curtis Foltz, reported an increase of 6.9%, or 147,650t, in total cargo compared to the same month last year, moving 2.27m tonnes of freight in February. Foltz also detailed growth in auto and machinery units moved through Colonel’s Island Terminal at the Port of Brunswick, with a 30.4% improvement over February 2012, as Brunswick added 11,799 vehicles to reach 50,622 units. For the fiscal year, the GPA has moved 415,730 units, up 21% over 2012. “Increased roll-on and roll-off cargo among the 21 car manufacturers we serve indicates an improving market for auto sales,” Foltz said. “Our exports of Ford, GM and Toyota, as well as luxury brands Mercedes and BMW, support car making jobs across the southern US,” Foltz added.

Honda starts Civic exports to Australia

(Source: Automotive Logistics News, 27th March 2013) Honda has started shipments of the Civic diesel to Australia from its UK plant in Swindon, part of a wider Civic export programme to the country from the plant. The diesel version will go on sale in the country in April. The company is starting with modest volumes, with 6,000 Civic in total planned for export in 2013. Honda announced a £267m investment programme at its Swindon plant in 2012, the biggest spend the carmaker has made in the UK in more than 10 years. The investment was announced at the same time Honda launched its latest CR-V model and centres around the installation of a new 1.6 diesel engine line, spending on new Civic robotics and tooling, and improvements in test and development resources around the new model.

PRESS RELEASES

AMEC environmental report highlights impact on UK economy of stricter maritime sulphur regulations

(Source: AMEC, 25th March 2013) AMEC, the international engineering and project management company, has produced a report into the likely economic effect of the British maritime industry having to comply with strict new rules (MARPOL Annexe VI regulations) further limiting sulphur emissions from ships' engine exhausts.

The report, prepared by AMEC for the UK Chamber of Shipping, on behalf of several North Sea and Western Channel shipping operators, concludes that there will be a notable negative impact on the volume of shipping traffic and jobs in the sector, brought about by the increased costs to comply.

The International Maritime Organisation's (IMO) MARPOL Annex VI regulations, intended to prevent air pollution from ships, set a 0.1% sulphur content limit for fuels in the SOx Emission Control Areas (SECAs), which will become effective from 1st January 2015.

The report identified three options open to operators to comply with the new regulations:
• Option 1: fuel switching from Heavy Fuel Oil (HFO), to Low Sulphur Fuel (LSF).
• Option 2: retrofit of a sulphur scrubbing system to ships.
• Option 3: use of Liquefied Natural Gas (LNG) as an alternative fuel.

A major impact of adopting any of these options is an increase in costs for operators. In terms of fuel costs, analysis of the likely range of values for the increase in costs associated with switching from 1.0% to 0.1% sulphur content fuel is $275-350 per tonne, with an average of $315 per tonne. It is assumed that the full cost of fuel price increases will be passed on directly as increased ticket prices.

The report further estimates that as many as 2,000 full-time, part-time and contract positions are likely to be at risk in the UK and on the continent, in maritime engineering, navigation, catering, customer service, cleaning and administrative occupations from those routes that are potentially unviable or would be threatened from the traffic reductions.

Report author Evan Williams, Senior Consultant for AMEC's Environment & Infrastructure Business said: "Our customers trust our ability to give them unbiased assessments based on robust scientific and business analysis techniques. Our environmental expertise has played an important part in bringing out in the open the key economic impacts of the intended sulphur emissions cuts."

ECG Note: *To download the full AMEC report or to obtain more detailed information on its content, please see the UK Chamber of Shipping press release: http://www.ukchamberofshipping.com/news/2013/03/08/2015-sulphur-targets-could-increase-carbon-and-cause-loss-2000-jobs-report-/*

Marco Polo II final call: €66.7m in new EU funding to fight road congestion and make freight transport greener

(Source: European Commission, 26th March 2013) On Tuesday 26th March, the European Commission launched a €66.7m Call for Proposals to fight road congestion and make freight transport greener in the framework of the MARCO POLO programme. Businesses and entrepreneurs across the European Union and beyond are invited to submit project proposals **until Friday 23rd August 2013**.

Priorities
This year's call has the following political priorities:
- Short Sea Shipping (SSS) based projects which implement innovative technologies reducing emissions of maritime transport.
- Inland waterways based projects which implement innovative technologies or operational practices which reduce polluting emissions and/or fuel consumption of vessels.
- Single Wagonload form of transport projects.

For the projects complying with the political priorities for innovative Short Sea Shipping and inland waterways services, the funding intensity will be increased from €2 to €3 per 500 tonne-kilometres of freight shifted off the roads. For Single Wagonload services, more favourable eligibility rules are introduced.

Types of actions
The call is open to applications for five types of actions:
1. Modal shift actions which will shift freight from the road to short sea shipping, rail, inland waterways or a combination of modes of transport.
2. Highly innovative catalyst actions which are aimed at overcoming structural market barriers in European freight transport.
3. Motorways of the Sea actions which are innovative, large-volume and high-frequency transport services, directly shifting freight from road to short sea shipping or a combination of short sea shipping with other modes of transport, in which road journeys are as short as possible.
4. Traffic avoidance actions which integrate transport into production logistics, reducing freight transport demand by road with a direct impact on emissions.
5. Common learning actions which will encourage the improvement of co-operation and sharing of know-how between stakeholders in the freight logistics sector.

The top-ranked projects in the competitive evaluation process will be offered grant contracts of up to five years. However, only projects capable of demonstrating viable non-road freight transport services – i.e. projects that can survive on the market even after they cease receiving EU financial support – have a chance of getting a grant.

This last call for proposals under the second Marco Polo programme is dedicated to the creation and upgrade of freight transport services. The general aim of the Marco Polo programme is to help companies introduce services that shift freight off the road and on to more environmentally friendly modes such as short-sea shipping, rail and inland waterways. This support is available during the high-risk start-up phase of the projects.

The full call text including information on how to apply for a grant is available on the Marco Polo website: http://ec.europa.eu/transport/marcopolo/getting-funds/call-for-proposals/2013/index_en.htm.

More than 6000 students have already attended the courses of the Escola Europea de Short Sea Shipping since its beginning

(Source: Escola Europea de Short Sea Shipping, 27th March 2013) The Escola Europea de Short Sea Shipping's Executive and Steering Committees met on the Tuesday 26th March 2013 to review the institution's activities of 2012 and to review its future plan for 2013-2014.

Throughout the day the continued internationalisation of the Escola was pointed out. Currently 60% of its students come from European countries outside of Spain, in particular from France (14%), Belgium (13%), Portugal (11%) and the Netherlands (11%). Its already large alumni base, soon reaching 6000 students, was also emphasised.

The meeting was attended by the Presidents of the **Port of Barcelona**: Sixte Cambra; the Port of Roma and Lazio: Pasqualino Monti; and the Port of Genova: Luigi Merlo. Mario Massaroti from the **Grimaldi Group**; Pedro Arellano, Deputy Director of Organisation and Internal Affairs of the Port Authority of Barcelona; Giovanni Marinucci, Marketing Director of the Port of Civitavecchia; Silvio Ferrando, Marketing Manager of the Port Authority of Genova; and Eduard Rodés, Director of the Escola Europea de Short Sea Shipping also participated in the meeting.

New projects
During the meeting, the extension of the LIFE logistics project, granted by the MARCO POLO Programme of the European Union, was highlighted. The project, which was initially set to finalise at the end of March 2013, will

continue until November 2013.

The director of the Escola also highlighted the new grant from the Transport Directorate of the Spanish Ministry of Development. This grant will support the organisation of six courses of 30 hours in Barcelona. With this help the Escola will organise six courses in intermodal logistics in the first semester of 2013.

The new WHITE project of the Escola, which will not be supported by the European Union, was also analysed during the meeting. The new catalogue of the courses is already available on-line, with details on the new types of courses offered (these can be accessed through the Escola's website http://www.2e3s.eu/ENm3.2.html).

The Steering Committee of the Escola meets once a year, whilst the Executive Committee reunites twice a year to review the organisation's activities.

IRU establishes inter-parliamentary dialogue on road transport in Eurasia

(Source: IRU – International Road Transport Union, 27th March 2013) Upon IRU's initiative, backed by the Russian State Duma's support, Members of the Parliaments (MPs) from Belarus, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Poland, Russia and Ukraine gathered on Wednesday 27th March in Moscow for the first meeting of the inter-parliamentary dialogue on road transport. Together with leaders of IRU member associations from the respective countries, the MPs addressed key transport policy and industry issues, exchanged experience and best practices to ensure that Eurasian economies can fully benefit from the competitive, high-quality services provided by international road transport.

Welcoming participants, IRU Secretary General, Martin Marmy, said: "In the last 50 years, road transport has become everywhere the main mode of transport to ensure the sustainable mobility of people and goods and is no longer a simple mode of transport but has become a vital production tool, inter-connecting, door-to-door, every business to local, national, regional or global markets. Considering the numerous regulations that apply to road transport, today's meeting should give the lawmakers, specialised in road transport, the ideal opportunity to exchange views with colleagues and representatives of the business community to improve the effectiveness of the required legislation, in order to allow trade and national economies to better benefit from the irreplaceable, vital service provided by the road transport industry."

The inter-parliamentary dialogue closed by adopting a joint statement, listing concrete steps and actions towards the further promotion of international road transport of goods and passengers in Eurasia.

Please click on the following link to read the joint statement:
http://www.iru.org/index/cms-filesystem-action/webnews2013/Joint-Statement-Engfinal.pdf

EU "White Spots" amount to 40% of the total TEN-T

(Source: ERF – European Union Road Federation, 25th March 2013) On Wednesday 20th March, the European Union Road Federation (ERF) and the Spanish road association (AEC) presented the final results of the White Roads Project, the cumulative effort of three years of work. The underlying philosophy behind the White Roads Project is to create a positive approach to road safety and focus on zero fatality roads, as opposed to the traditional practice of focusing on black spots.

A European White Spot (EUWS) is a road section of at least 15km long where no fatality accidents have happened during the last 5 years considered during the study. In total, 982 EUWS have been identified representing 40% over the total TEN-T road network and after analysing 85,418Km of roads and 248,158 accidents in the EU.

The main challenge for the consortium was the collection and analysis of data and statistics from 27 Member States. This information has been the basis to develop the project. Throughout the project, the ERF and AEC maintained regular contact with more than 100 experts in road safety from National Road Agencies, Ministries of Transport, Home Affairs, Traffic Police and National Statistics Bodies.

The need for very concrete information about accidents represented an important challenge as some countries were not allowed to provide any data due to strict privacy regulations. The lack of statistics or the existence of incomplete information has always a very negative impact on road safety. José Díez, from ERF, described the difficulties and challenges faced by the consortium and stressed "if we want to achieve our goal and improve road safety, we need to have good data at our disposal."

Elena de la Peña, from AEC, presented the White Roads checklist which can be used to complement existing guidelines for the design, maintenance and management of safer roads as laid down by the EU Directive on Road Infrastructure Safety Management. She said: “White Roads aims to contribute at the creation of safer roads but, ultimately, an integral approach between users, vehicles, infrastructure, enforcement and governments is needed.”

The event was opened by Ms Inés Ayala Sender, Member of the European Parliament, who stressed the positive vision of the project and the inter-institutional co-operation to reduce accidents especially involving vulnerable users.

Other panellists, Mr Sangjin Han (OECD/ITF) and Mr George Yannis (Dacota Project), addressed the necessity to improve data collection and methodology with particular focus on serious injuries. Mr Lars Ekman (Swedish Transport Administration) explained the Vision Zero experience in Sweden and its continuous improvement in road safety.

The panel was concluded by Mr Szabolcs Schmidt (Head of Unit Road Safety in the European Commission DG MOVE) who described the policy tools used at the EU level to halve the number of fatalities by 2020. He finally congratulated the EU as a whole for the 9% reduction in fatalities recorded in 2012.

For more information about the White Roads project please see: www.whiteroads.eu.