ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 13.23, 10th – 14th June 2013

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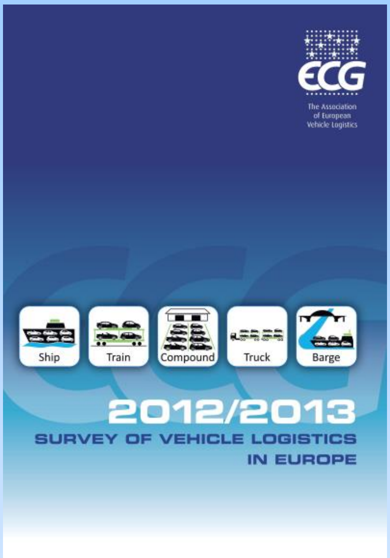

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NEWS FROM BRUSSELS

EC to allow drag-reducing tails earlier than expected

(Source: Commercialmotor.com, 13^{th} June 2013) New European Commission (EC) whole vehicle type approval rules make it possible to start using drag-reducing aerodynamic tail extensions on trucks and trailers long before the EC proposals to increase the maximum length of trucks take effect. Two months ago, the EC published draft proposals to amend Directive 96/53/EC, regarding the size and weight of trucks. Changes include an increase in overall length to permit aerodynamic tails at the rear and cabs with longer noses that improve crash performance and reduce drag. But the EC warned that it would take several years before we see trucks shaped by these proposals. However, new type approval legislation, EU Regulation 1230/2012, which took effect on 1^{st} November 2012, lists a series of items that are exempt when determining maximum external dimensions. The most significant of these are: “Foldable devices and equipment designed to reduce aerodynamic drag, provided that they don’t protrude at the back by more than 500mm from the outermost length of the vehicle and they don’t increase the length of the loading area. Such devices must be designed to be retractable when the vehicle is at a standstill in such a way that the maximum authorised length isn’t exceeded.” There is a similar exemption for aero devices on the side of vehicles or trailers, limited to 50mm on each side and retractable when the vehicle is stationary. The list of exemptions also includes ***safety rails on car transporters*** and clarifies a grey area concerning the arms of tipper sheeting systems, which are allowed to protrude by 20mm either side. These exemptions cannot be claimed retrospectively or applied to vehicles and trailers already in service; they must be part of the vehicle or trailer at the time of type approval. But this does not rule out adding after-market aerodynamic tails: they could be used on existing vehicles or trailers providing they are still within the maximum dimensions.

Shippers under the gun to meet new air quality standards

(Source: Euractiv.com, 07^{th} June 2013) In the Belgian Port of Zeebrugge, on a spring day, a hulking cargo ship waiting to make its 36h run to the Swedish Port of Gothenburg sat as a model for European and international efforts to reduce vessel emissions. The German-built *Schieborg Delfzijl* is one of the first cargo vessels built to comply with the International Maritime Organisation (IMO) standard for nitrogen oxides (NOx), using a catalytic reduction system. The IMO standards apply for new vessels starting in 2016. The vessel’s catalytic technology uses urea, which is produced from the synthesis of ammonia and carbon dioxide, to reduce nitrogen pollutants. NOx gases are produced from fuel combustion and contribute to ozone and acid raid. Although the system can remove 95% of NOx emissions, it is costly to install in older ships and it is less effective at lower engine temperatures, such as when vessels are approaching ports or operating inside harbours. "In places you want to use it you can't," said Onno Steenweg, Superintendent of Wagenborg Shipping B.V. in the Netherlands, which operates the 13-year-old *Schieborg Delfzijl*. Whether in harbours or on the open sea, the shipping industry has come under the microscope to reduce pollution and faces a 2016 deadline under the IMO’s Marpol Convention to slash NOx emissions. The treaty requires an 80% reduction in NOx emissions from 2000 levels in some coastal areas, and has also set caps on sulphur dioxide (SO_2), carbon and other pollutants. In some busy European ports, including Rotterdam and Gothenburg, shipping companies get discounted port dues for using catalytic systems, scrubbers and cleaner-burning engines. At Zeebrugge, the *Schieborg Delfzijl* and other vessels use dockside electricity connections to cut the need to run fuel-fired generators while loading and unloading. The European Union has also put more attention on reducing marine pollution after years of efforts to control emissions from industries, power plants and road transport. Ships have traditionally been big polluters because they use heavier,

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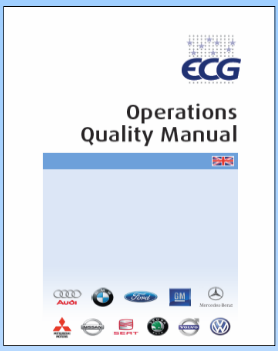

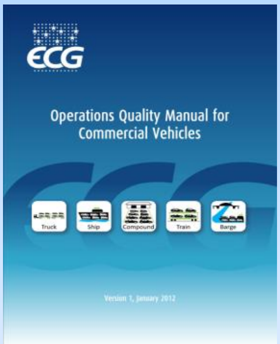

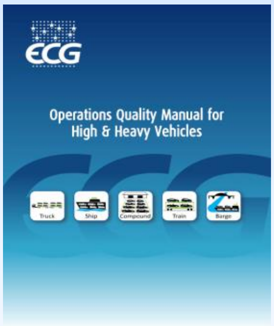

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
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less refined fuels that are cheaper to burn but more caustic for the air. EU Environment Ministers agreed in October 2012 to cut the maximum sulphur content of shipping fuels by 90% to 0.1% in restricted Sulphur Emission Control Areas (SECAs), which include some of Europe's busiest waters. The rules take effect in 2015. Outside the controlled areas, the IMO limit of 0.5% will be mandatory in EU waters by 2020. That compares with the current 3.5% for cargo vessels and 1.5% for passenger ships. SO_2, emitted when sulphur-containing fuels are burned, is a principle cause of acid rain. Under the new EU legislation, shipping companies that use exhaust-gas cleaning systems, or “scrubbers”, will be able to use fuels with higher sulphur content as long as SO_2 emissions stay under the agreed limit. During debates on the SO_2 legislation, the European Sea Ports Organisation (ESPO) argued that higher costs associated with low-sulphur fuel and retrofitting ships with pollution filtration systems could hurt an industry that was already struggling from a lethargic global economy. The group also expressed concern that it could backfire environmentally, encouraging a modal shift back to road transport in coastal areas. Shippers are facing similar retrofits of older ships to accommodate the catalytic technology and urea storage tanks that are needed to reduce NOx emissions. Adding the catalytic system and storage tanks in a vessel’s cramped engine compartment can be costly, potentially several million euros, shipping officials say. Nonetheless, Steenweg acknowledged that "from an environmental point of view, it is better to have NOx filtration than not.” Transport and Environment (T&E), a Brussels campaign group, also says tougher rules on shipping emissions are worth it, estimating that air pollution from international shipping accounts for 50,000 premature deaths in Europe per year. The group also estimates that applying the IMO standards for nitrogen and sulphur emissions to shipping would save up to €34bn per year in health costs. “These savings do not take into consideration the benefits for ecosystems and the environment as a whole if acidification and other negative consequences of air pollution were reduced,” the group says. Revisions to air quality laws will be proposed by the European Commission in autumn 2013. In 2016, new vessels will have to comply with nitrogen oxide emission standards under the IMO rules, and in 2020, all ships operating in EU waters will have to use low-sulphur fuels.

Germany seeks changes to car emissions limits

(Source: European Voice, 07th June 2013) Germany has submitted a proposal on regulating carbon dioxide (CO_2) limits for cars that campaigners say is a "desperate attempt" to weaken EU emissions limits. The proposal calls on EU Member States to allow carmakers to “bank” credits earned by producing electric cars, in order to make heavier, more polluting vehicles. The European Commission has proposed limiting average fleet emissions to 95 grams of CO_2 per kilometre (g/km) from 2020, down from the 130g/km limit set for 2015. But in what many saw as a capitulation to the German car industry, it decided to reinstate a “super-credits” scheme in which electric cars counted more towards the average emissions of a fleet. The super-credits scheme was supposed to end in 2015, but under the Commission proposal it would be brought back in 2020. The leaked German proposal would allow carmakers to “bank” the super-credits they have earned before 2015 and use them after 2020. This was not part of the Commission's proposal. Environmental campaigners say that such a scheme would dilute the target. Carmakers will reach the 130g/km target well ahead of schedule, and will not need the super-credits they are earning now to meet the 2015 target. “This proposal is a desperate attempt by Germany to gain support for discredited banking proposals that have been rejected in the European Parliament and by a large majority of Member States,” said Greg Archer of green transport group Transport and Environment (T&E). Last April, campaigners voiced their disappointment at a vote in the European Parliament's Transport and Tourism (TRAN) Committee that would make the super-credits scheme active between 2015 and 2020. However, Members of the European Parliament (MEPs) did not back carrying credits over from one period to another. T&E says the

ECG Academy

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European Parliament's position would weaken the target to 97.5g/km. The Commission has warned that if super-credits are reintroduced, it needs to be in a limited way. European carmakers' association ACEA has said that super-credits will encourage innovation and increase the number of electric cars available to consumers.

AUTOMOTIVE INDUSTRY

Peugeot will double output of 2008 small SUV

(Source: Automotive News Europe, 13th June 2013) Peugeot will double production of the 2008 small Sport Utility Vehicle (SUV) in France to meet higher-than-expected demand, brand head Maxime Picat said. PSA Peugeot Citroën's plant in Mulhouse, eastern France, will make 10,000 units of the 2008 a month, up from 5,000, Picat said on Wednesday 12th June. He said a second shift will begin producing the model in September 2013. "We have 16,000 orders, mostly coming from dealerships where the 2008 wasn't even presented," Picat said. IHS Automotive said earlier this year that the 2008 would quickly top the fast-growing segment for subcompact SUVs, passing the current leader, the Nissan Juke. According to IHS Automotive, sales of subcompact SUVs will grow to more than 500,000 in Europe by 2015, up from 154,461 last year. In the first four months of 2013, segment-leader Nissan sold 38,383 Jukes, with the Opel/Vauxhall Mokka ranking second with sales of 25,853, according to market analyst JATO Dynamics. The newly launched Renault Captur is expected to overtake both the Juke and the Mokka and rank n°2 in the segment, according to IHS. Peugeot forecasts it will sell 200,000 units of the 2008 in 2015, with 100,000 produced in Mulhouse for Europe and markets besides South America and China. A further 45,000 units of the small SUV will be made in Brazil, with the remaining 55,000 built in China. Earlier this year, PSA said in a statement that the 2008 was the brand's first car to be "designed, developed and engineered simultaneously by employees based in Europe, China and Latin America."

GM mulls moving Opel Mokka production to Spain from Korea, report says

(Source: Automotive News Europe, 11th June 2013) General Motors is considering moving a large share of the current production of the Opel Mokka subcompact crossover from South Korea to Spain, German newspaper *Handelsblatt* reported, citing sources within the US carmaker. Opel has already said it will build the next-generation Mokka in Europe and not in Korea. More than 100,000 Mokka have been ordered since the European market launch in October 2012 and demand has been much better than expected, leading to production bottlenecks and long waiting lists for the model. Producing the Mokka in Opel's plant in Zaragoza would help to fill up that plant's spare capacity and could lower losses at the division. The plant currently produces the Corsa subcompact and Meriva small minivan models. A spokesman for Opel said on Monday 10th June that GM was looking for additional capacity to produce subcompact SUVs but declined to comment specifically on any plans to move production of the Mokka to the factory in Spain. A spokesman for Opel's sibling brand Chevrolet added that there were no plans currently to move production of the Trax, a “sister” model of the Mokka, from Korea. Last March, Opel said it was reviewing whether other models may be built in Europe and Korea, including the Korea-made Antara medium SUV and Europe-made Agila small minivan, but added that no decisions on production locations have been made yet. The Mokka is one of a number of new products including the Cascada mid-size convertible that Opel hopes will help attract customers and help end chronic financial losses.

ECG AGENDA

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

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

► **Webinar to present the ECG Quarterly Survey results** on **4th September 2013**

► **ECG Academy** Course 8 commences on **8th October 2013** in Berlin, Germany

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

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

► **Webinar to present the ECG Quarterly Survey results** on **18th November 2013**

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

Opel will replace Astra with Zafira at Ruesselsheim plant

(Source: Automotive News Europe, 07th August 2013) General Motors' Opel brand says it will stop making its Astra compact hatchback in 2015 in Ruesselsheim, Germany, to make room for the Zafira minivan currently made at its Bochum plant, which is scheduled to close by the end of 2014. The company's plant in Gliwice, Poland, will increase Astra production to make up for the lost volume, Opel spokesman Ulrich Weber said on Friday 7th June. "It's a normal transition from one model to the other and a process that will evolve step by step," Weber said. Ruesselsheim will stop producing the Astra before the second half of 2015, the *Handelsblatt* German business daily reported. Weber did not comment on the exact timing. About 50,000 five-door Astra models were manufactured in Ruesselsheim in 2012, comparable to the amount of Zafira minivans made in Bochum, Weber said. The next-generation Astra will be built in Gliwice and Ellesmere Port, England, starting in 2015. Workers at the British plant operated by Opel sister brand Vauxhall, accepted wage cuts as part of a labour deal that will run into the early 2020s. The next-generation Astra will add 700 jobs at Ellesmere Port and guarantees an output of at least 160,000 cars a year, the company said. Combined Opel and Vauxhall new car registrations in Europe declined 5% to 279,409 vehicles through April in an overall market that was down 7%, according to industry group ACEA.

Russian car sales forecast to fall 5% in 2013

(Source: Automotive News Europe, 10th June 2013) Russian car sales suffered a double-digit percentage drop in May, prompting the Association of European Businesses (AEB) to slash its forecast for the full year to a decline of 5%. The downbeat figures, published by AEB on Monday 10th June, provided one of the first indications that the slowdown in Russia's $2tn economy – Europe's second-largest car market – intensified last month. AEB cut its forecast for 2013 to 2.8m units following three months of falling sales as economic growth in Russia slowed. That will be lower than the 2.94m recorded in 2012. AEB had previously forecast that 2013 car sales would be flat on the previous year. "Market participants are concerned about this situation and expect continued slow demand before a potential improvement in the second half of the year," Joerg Schreiber, Chairman of the AEB Automobile Manufacturers Committee, said in a statement. For May, sales fell 12% year-on-year to 230,000 units. The decline was steeper than the 8% decrease seen in April and the 4% dip in March. President Vladimir Putin said that the country's weakening economic growth was a cause for concern.

EUROPE

Changes to car cabotage rules could keep rates low

(Source: Commercialmotor.com, 13th June 2013) The decision of the UK's Department for Transport to relax cabotage rules for car transporter firms will keep rates in the industry low and reduce operators' abilities to refresh their fleets, according to one haulier in the sector. Roads Minister Stephen Hammond approved a proposal to relax cabotage restrictions from September 2013 to cut problems with new number plate peaks in car buying in March and September. Chris Doughty, Managing Director of **Acumen** Distribution, said: "The only way customers will agree to put the rates up to a sustainable level are if they feel some pain, and the only time that will happen are the two peaks in March and September. If you take that pain away by bringing foreign operators in to take on the excess, all that is going to do is extend the period of time we have to work under sub-economic rates. For the industry to recover it needs to be not enough car transporters to move the cars in March and September. And then customers would start to appreciate more that we need to invest in equipment." Nick Deal, Group Secretary of the Car Transporter Group at the Road Haulage Association

Events in Brussels

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.
Supported by ECG

“Transeuropean rail freight transport: What future lies ahead?” by the Lithuanian Presidency of the EU Council and the Community of European Railway (CER) on 9th July 2013.
ECG will attend

“Clean Power for Transport” Conference by the European Commission DG MOVE on 21st October 2013.
ECG will attend

(RHA), said: “This has been allowed to happen two times a year because there isn’t enough trailer stock in this country to handle the two peaks. The obvious answer is to get rid of the twice-yearly new registration plate but that isn’t something for the RHA to campaign on.”

Rail freight partnership in Lithuania

(Source: Automotive Supply Chain, 10th June 2013) **DB Schenker Rail** and the Lithuanian rail freight company Lietuvos Geležinkeliai (LG, Lithuanian Railways) have signed a Memorandum of Understanding (MoU) to expand overland rail freight services in Europe. DB Schenker Rail and LG have enjoyed good relations for many years through operation of a railway ferry between Lithuania and Germany, and DB Schenker Rail began operating regular container trains between Poland and Lithuania this year. "This expands our network in Eastern Europe into the Baltic states. We are seeking to sustainably strengthen this development in co-operation with Lithuanian Railways," said Alexander Hedderich, CEO of DB Schenker Rail. A new combined transport train has been travelling once a week from Poland to the Lithuanian reloading terminal in Sestokai, where Lithuanian Railways assumes responsibility for transporting the cars and containers further inland. DB Schenker Rail, which recently won the Rail Freight Excellence Award at the Rail Business Awards, held in London, for the establishment of a new rail freight corridor between the UK and Poland, is the first foreign railway transport company to acquire all the necessary EU approvals to operate as a rail freight company in Lithuania. AB Lietuvos Geležinkeliai, which offers freight transportation, freight forwarding services and freight warehousing services on the Klaipėda-Minsk-Odessa line, carried 49.4m tonnes of freight in 2012.

Logistics division of Broekman Group selects Kewill for its new supply chain execution software platform

(Source: Multimodal.org.uk, 10th June 2013) Leading Dutch logistics service provider **Broekman Group** has selected Kewill’s supply chain execution platform – Kewill Logistics – to replace the legacy systems previously in use by its logistics division. Headquartered in Rotterdam in the Netherlands, with 750 employees worldwide, Broekman Group is a “one stop” logistics service provider offering global multimodal transport, warehousing and customs management services. With Kewill Logistics, Broekman Group’s Logistics division is putting in place a single integrated platform for managing its sea, air and road forwarding, warehousing and customs processes. The software solution will be implemented across the division’s multiple sites and will support its full range of global logistics activities, with optional automated handling of electronic customs declarations. By implementing Kewill Logistics, Broekman Group will benefit from more streamlined logistics processes and better service delivery for its key customers. “We definitely needed to invest in a single, company-wide IT solution for our Logistics division, a system that differentiates through automatic integration of multiple logistics data flows, such as Port Community Systems, E-commerce platforms for sea and air freight exchange, customs declarations, and last but not least, our key customers’ ERP-systems,” says Raymond Riemen CEO at Broekman Group. “Furthermore, we will see significant business improvements due to all management reports now coming from the same source, the new centralised Kewill system that manages all operations across the division. This is of great importance in carrying out our corporate governance policy and ensuring accurate stakeholder reporting.” Jan-Paul Boos, Senior Vice-President EMEA at Kewill: “We are very pleased with the confidence that a leading 3PL provider such as Broekman Group has in us to automate their core business processes. This project underlines Kewill’s leading position in the logistics industry for supply chain execution software, combined with our specialism, the truly unique ability to offer integrated processing of data flows between the numerous systems of all kind of relevant market parties.”

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Is there enough LGV parking in the UK?

(Source: Commercialmotor.com, 12th June 2013) Road transport industry representatives have rubbished government claims that the UK has enough lorry parking. In its response to the Transport Select Committee's Land Security report, the government of the UK said the issue was one for the private sector and local councils, although it continued to hold talks with stakeholders about ways of boosting provision. "However, it should be noted that the provision and use of secure parking isn't simply a matter of building more sites," the government response stated. "Many drivers of Large Goods Vehicles (LGVs) choose not to park overnight in lorry parks, either because their employer will not pay for parking or because they are given a cash subsistence allowance they would rather not spend on parking." The statement was backed up with reference to a Department for Transport survey from 2011-2012. It found 41% of LGVs parked overnight within 5km of the strategic road network were located in lay-bys or within industrial estates, with only 61% of spaces at lorry parks used. However, Steve Bowles, Joint Managing Director at Roy Bowles Transport, is not convinced. "Heathrow has no provision for 'rest period overnight parking' of trucks as far as I am aware. On Saturday night, I counted at least 10 vehicles parked up on the nearby Colnbrook Estate. This is unsafe for drivers and it gives a bad impression of our industry to local residents and businesses. We may well have enough spaces, but they aren't necessarily in the right places." Don Armour, Fleet Information Manager at the Freight Transport Association, said: "There remains a shortage of general truck parking, not to mention high-security parking." Pat Rippingale, a driver for Mobile Promotions, said due to the equipment he was moving, his company always mandated truck parks when necessary. He said: "There's some good parking out there, but not enough. And some of the service station provision is dire. Drivers don't want fancy televisions; they want decent food and a good shower. The prices being charged would be OK if the facilities measured up."

An automotive gateway in London?

(Source: Automotive Logistics News, 12th June 2013) DP World's London Gateway, a new container port in East London, due to start operations in the fourth quarter of this year, could become a node for containerised parts and finished vehicles in and out of the UK. Speaking during an Automotive Logistics Webinar, Peter Ward, Commercial Manager for Cargo Supply Chain at the port, pointed out that the port's location could save manufacturers inland logistics cost to points serving the London region, as well as Birmingham, the Midlands and Manchester. In comparison to other southern ports, Ward said Drewry Shipping Consultants Ltd estimates savings per container of $300 to London and $95 to other regions. The port is located about 40km from central London on the north bank of the River Thames in Essex. It could play a role in production and aftermarket logistics, said Ward, particularly for manufacturers with plants and sizeable spare parts networks in the UK, who are looking to backhaul parts to Europe and other markets. The port will eventually house Europe's largest logistics park, with 10m square metres available of space for bonded storage, cross-docking and other logistics activities. Ward said that at least one major automotive supplier in the UK has identified the facility as a potential distribution centre. "The tier one has identified the London Gateway as a great location to consolidate exports and send by high frequency shipping to its overseas dealer and distribution network," said Ward. Marks & Spencer, one of the UK's largest retailers, also announced that it would invest £200m at the port to build a new 900,000ft^2 (8,300m^2) distribution centre. Although London Gateway currently has no plans to develop a car and Ro-Ro terminal, Ward also suggested that the port was positioned well to handle cars moving in containers. "The location of London Gateway would be key to containerised vehicles, as it is closer to points of manufacturing and very much closer to the UK's main centres for consumption," he said. Ward also said the port could capture a share of the UK's growing exports, both in knockdown kits and finished vehicles. "We know there is the new

Jaguar Land Rover (JLR) plant being built in China and a large amount of Complete Knockdown (CKD) flows, but we also think there are many growing markets in India and other emerging economies where the frequency of Ro-Ro services might not be as much as in the past," said Ward. Cars move in container in relatively small numbers compared to Ro-Ro ships, however they are common to markets less served by Ro-Ro or car terminals, as well as by some high-end manufacturers. Ward also pointed out that with a Ro-Ro terminal located nearby, in Tilbury, London Gateway has plans to work in conjunction with the port on vehicle and automotive handling. London Gateway is one of the UK's largest infrastructure projects, built on the site of a former oil refinery on reclaimed land form from 100km of dredging in the Thames and the North Sea. DP World plans to eventually open seven berths capable of serving ships larger than 18,000 TEUs, the first of which will during the fourth quarter. At full capacity, it will handle around 3.5m TEUs per year. The port will also have three rail terminals, with expectations that 30% of freight moving in and out of the port will move by rail. Ward said that the port would be open to develop further automotive facilities, and it will seek to understand the industry's needs during a special Automotive Logistics Forum on Thursday 4th July at the port, which will include workshops, discussions and tours. All parties interested in the port are invited to attend.

As taxpayers' money goes once again to Trenitalia without any tendering, FerCargo petitions the Italian administrative tribunal

(Source: Ship2Shore, 10th June 2013) They had long been worrying about it, and now the nightmare of the Italian association of private rail companies (FerCargo) has become true. Actually, the Italian government signed a new universal service agreement with Trenitalia Cargo – a subsidiary of public rail group FS – covering the years 2009-2014, with no tendering nor transparency, leading FerCargo together with ten of its members, to petition the administrative tribunal (TAR) in Rome. Italian private operators had been worrying for some time about the way the system granting public funds for unprofitable rail cargo links was managed. Since the monopolistic system has been in place, Trenitalia Cargo has been granted subsidies on the grounds of an agreement expired in 2006 and then extended by *ad hoc* measures. Meanwhile, however, the share in trains-km of private rail companies represented by FerCargo now represents about 30% of cargo transport by rail and these companies have started questioning the old scheme. In their opinion, the services Trenitalia is providing are not matching the ones stated in the agreement, and the allotment of public funds is not subject to public tendering, which should be the case since a competitive market has now become a reality, an issue the European Commission (EC) is already investigating. FerCargo had already appealed to various administrative and supervisory bodies against such a new agreement which was, nevertheless, apparently signed – no official statement being available either from the Ministry of Transport or from Trenitalia. Despite the caveat, there are clues strongly suggesting the agreement was actually signed. In spite of an *obiter dictum* by FS boss, Mauro Moretti, at a conference in Padua last March, there are two documents pointing at it. One document details the funds granted to Trenitalia during the past years: €110.8m in 2009, €128m in 2010, and €128.3m in 2011. It also states that the Inter-Ministerial Committee for Economic Planning (CIPE) approves the agreement renewal although knowing well that "the EC is carrying out an enquiry on this funding in order to ascertain whether it can amount to illegal state aids." Actually, this new agreement specifies that service supply and payment after 3rd December 2012 could be questioned if a possible EC's decision on this matter was to be enforced. "The petition we submitted is aimed at countering the silence and sloth that the Ministries of Transport and Economy showed in dealing with FerCargo's requests asking for an effective control of the nature of the universal service provided by Trenitalia," explains lawyer Giovanni Caputi of the legal firm Stajano. "It also targets possible agreements apparently implied by CIPE's resolution, granting Trenitalia universal service after 3rd December 2012." According to FerCargo, this agreement would infringe the Law on Public Contracts which makes mandatory transparency, publicity, open and fair tendering as well as adequate attendance. Trenitalia did not comment, nor did either Mr Moretti or the Ministry of Transport Under-Secretary Erasmo D'Angelis, recently invited to a public conference on railway liberalisation, held in Rome and hosting, among others, FerCargo's Chairman Giacomo Di Patrizi.

REST OF THE WORLD

WWL awards many modal suppliers

(Source: Automotive Supply Chain, 07th June 2013) **Wallenius Wilhelmsen Logistics (WWL)** Vehicle Services Americas announced the recipients of its annual WWL Vehicle Services Americas (WWL VSA) Carrier of the Year Awards at a special event in Franklin, Tennessee, USA. Early May saw 5 companies working with WWL VSA, automotive processing and vehicle logistics, in 2012 awarded for their performance as suppliers. Selland Auto Transport received Truck Direct Carrier of the Year, Division I (less than 50,000 units shipped), and C.A.R. Transport were awarded Truck Direct Carrier of the Year, Division II (more than 50,000 units shipped).

“Congratulations to WWL’s trusted suppliers,” says John Felitto, President and CEO of WWL Vehicle Services Americas. “Part of WWL VSA’s success may be attributed to solid partnerships with and major support from our transportation partners. We thank these providers and look forward to continued success,” he added. The Rail Carrier of the Year award went to Union Pacific Railroad, which has just started a new intermodal terminal project in Salaberry-de-Valleyfield. The Short Sea Carrier of the Year award went to Matson and was collected by Michael Pantaleon, Manager Strategic Accounts. “We are proud to receive this award from WWL and Nissan for the second year in a row,” said Pantaleon. “Through our close working relationship, we have succeeded in reducing damage to a ratio of 2/10 of a per cent and eliminating one day of transit time in their supply chain. We are pleased to be recognised for these accomplishments and look forward to continuing to partner with these important customers for years to come,” he added. CSX Corporation was presented with the Supplier of the Year award. The award winners were judged based on a strict set of criteria including timeliness, damage-free performance, and commitment to quality.

Carmakers find capacity in North America

(Source: Automotive Logistics News, 12th June 2013) This year’s Finished Vehicle Logistics North America conference saw more than 300 delegates gather in Newport Beach, California, to discuss an industry with clear momentum. There is not only relatively good news on sales, with the US market heading back towards 15m new passenger cars and production increases planned by many manufacturers, but executives from carmakers and logistics providers reported progress on a number of areas, from IT systems, to network engineering and capacity management for road and rail transport. “In the last year, we estimate that the industry has added around 1,500 trucks,” said Mike Riggs, Chairman of Jack Cooper, which currently has the largest active car haulier fleet in the US. “There is more financing and we can get more access to capital,” he added. North American railways are also investing heavily. Linda Brandl, Vice-President and General Manager for Automotive at Union Pacific Railroad, said that the railways would add 4,000 railcars (wagons) this year to the collective North American pool, a capacity increase that executives from carmakers admitted was above what they had originally anticipated. Steve Tripp, Head of Worldwide Vehicle Transportation at Chrysler, and Mike Nelson, National Manager of Rail Strategy and Operations at Toyota Logistics Services, also praised the railways for process improvements that they had made over the last year, including faster cycle times. Tripp said that such improvements were part of the reason the North American industry had been able to maintain reasonably good service and avoid wider capacity issues. Besides equipment itself, executives from carmakers and logistics providers also reported investment and interest in areas that include IT systems and network engineering. Riggs said manufacturers and carriers were turning more to technology such as electronic proof of delivery (ePod) systems and on-board tablets. The outbound sector has arguably been slower to adapt ePod-type technology than other sectors. Along with needed capital, the switch to paperless also demands a change in business processes, such as getting auditors and accounting departments to move away from paper documentation. There have been concerns amongst the dealers about relinquishing hard copy damage reports and other implementation costs. Carmakers had also shown little appetite for driving change, which was perhaps most critical, as they are the ones that must convince dealers and co-ordinate processes in the supply chain. But with the likes of Chrysler mandating a switch to ePOD by 2014, the tide may be turning; meanwhile, the latest technology available on mobile devices means investment cost is less of a barrier. Praise for progress like this made by carrier and OEM partners was balanced by concerns over challenges the industry still faces on service and profitability. Some of these problems appear endemic to vehicle logistics around the world. John Jansen, President and Executive Vice-President of Client Relations and Business Development at Allied Automotive Group, pointed to a “shadow fleet” that operates across North America in the form of 40% of trucks making empty return hauls. Allied has tried to address the issue by posting all of its empty return flows online, at a discounted price, but Jansen admitted that improvements in wider fleet utilisation were happening slowly. According to Bill Pawluk, CEO of Convertible Trailer Manufacturers (CTM), 42% of car carrier journeys are logged with empty trailers – the highest empty factor in the transport industry. Pawluk believes the answer is for trucks to carry both cargo and finished vehicles. CTM’s auto transporters can collapse in a number of configurations to accommodate containerised cargo. He said the company wanted to ship a 100% capacity outbound and could manage an 85% load factor for return shipments on the same rig. CTM is currently lobbying to change US and Canadian transport policy, which rules that you cannot haul general cargo besides motor vehicles on the tractor portion of the stinger system, although you can haul it on the trailer portion. “We don’t understand the logic behind that,” said Pawluk. “As a matter of fact, we don’t think there is a logic behind it. We think it is accidental legislation and that somebody else wrote it when this option was not available. Today the option is available and we need to amend it.”

To read the full report from FVL North America, please click on the following link:
http://www.fvlnorthamerica.com/

OEMs support logistics benchmarking

(Source: Automotive Logistics News, 12th June 2013) A recent survey conducted by supply chain management provider ICL Systems in North America has found significant interest from OEMs in a benchmarking standard and vendor scorecard that would recognise top performers amongst other things. According to Tom Swennes, Vice-President of Strategic Planning and Admission at ICL Systems, goals for benchmarking in the sector aim at allowing an OEM to measure performance against its peers in the areas of velocity, consistency, quality and cost. About 60% of the respondents to the survey were shipping more than 500,000 units a year. Of the respondents, more than 40% were interested, and 35% very interested. The one or two not interested said it was because they were too small or because they saw their own supply chain as being different enough not to make participation of any value. Interest in a vendor scorecard was at 90%. Swennes said the answers on the scorecard would be weighted by volume. He said that service providers were giving good and timely data and that OEMs were protected by anonymity. ICL Systems has 21 years of experience in the automotive industry, providing supply chain management solutions for the finished vehicle sector. Its customer base represents more than 30% of the new vehicle market.

PRESS RELEASES

Fourth Railway Package – Rail sector needs Technical Pillar

(Source: CER, 05th June 2013) The Community of European Railway and Infrastructure Companies (CER), the Association of the European Rail Industry (UNIFE), the International Union of Wagon Keepers (UIP), the European Passenger Train and Traction Operating Lessors Association (EPTTOLA) and the International Association of Public Transport (UITP) wish to confirm their strong support for the Technical Pillar of the Fourth Railway Package and stress the importance and urgency for reaching an agreement between the European Council and the European Parliament on this part of the proposal as laid out in the compromise text prepared by the Irish Presidency in April 2013.

Today's situation is proving challenging for the railway sector and the competitive performance of the railways as a mode of transport. The authorisation and certification procedures are costly and time consuming. The overall authorisation process for vehicles in Europe can last longer than two years, immobilising assets worth €1.2bn that are waiting for authorisation and cannot be put in service.

The authorisation and certification processes must be simplified as quickly as possible and the European Railway Agency (ERA) must become progressively a one-stop-shop for authorisation and certification. To achieve that, there shall be an evolutionary plan for competencies growth at ERA and clear responsibilities for single safety certificate and vehicle authorisation.

The European rail sector regards the simpler and quicker authorisation and certification processes as a pre-condition for achieving the objectives set by the European Commission's 2011 Transport White Paper: increase capacity of the railway system and build the Single European Railway Area. They are furthermore needed to increase the competitiveness of the sector vis-à-vis other modes of transport in order to attract citizens and goods to railways, for a sustainable, and potentially carbon-free, transport system.

The European rail sector encourages the European Parliament and the European Council to reach an agreement during the current parliamentary mandate, and to not miss this historic opportunity to revitalise the European railway system.

CER Executive Director Libor Lochman added: "The discussions about the Technical Pillar are now heading into the right direction and need to be accelerated. CER shares the opinion of the necessity for a stronger European Railway Agency acting as a one-stop-shop and deciding about vehicle authorisation, safety certification and trackside ERTMS (European Rail Traffic Management System), while co-operating closely with the national safety agencies."

UNIFE Director General Philippe Citroën highlighted: "The sector has long been calling for what the European Commission has proposed in the Technical Pillar. It must be adopted during this parliamentary term to give a needed boost to the development of rail industry in Europe."

UIP Secretary General Gilles Peterhans stated: “If we want one day to see a competitive rail freight market at the European level, the streamlining of administrative procedures, the setting of clear roles and responsibilities and the removing of superfluous national regulation are the priorities we all need to care about at hand.”

EPTTOLA President Tim Gilbert commented: “The proposals in the Technical Pillar, along with the detailed recommendations for simplifying and speeding up authorisations, are essential for the industry.”

UITP Secretary General Alain Flausch concluded: “The regional and suburban rail operators of UITP support the enactment of the Technical Pillar with an emphasis on a clear and undisputable exclusion from under the scope of the legislation of the functionally separated local, suburban and regional passenger railway lines.”

ECG Note: *As reported earlier, ECG – together with its member **ARS Altmann** – is supporting a **Dinner Debate in the European Parliament on 18th June** hosted by Polish MEP Boguslaw Liberadzki entitled “What does the Automobile Industry expect from the Fourth Railway Package?” Speakers will consist of experts from the finished vehicle logistics sector as well as from GM and SEAT, who will debate with representatives of the European Parliament, Commission and the abovementioned CER Executive Director their vision for the future of rail freight. ECG has a last few seats available for members, if you are interested to join please contact tom.antonissen@ecgassociation.eu.*

Council reaches agreement on rail interoperability

(Source: European Commission, 10th June 2013) The European Commission welcomes the progress achieved in the Transport Council to enhance the quality and efficiency of Europe-wide rail services by removing remaining technical obstacles. Following the proposal of the Commission for the recast of the interoperability Directive, the Transport Council adopted a "general approach" on new rules which will introduce a single European authorisation for placing railway vehicles on the EU market, and will reinforce the central role of the European Railway Agency (ERA).

Commission Vice-President Siim Kallas, responsible for Mobility and Transport, said: "I am pleased to see Member States supporting this essential technical part of the Fourth Railway Package. This creates momentum for the completion of the Single European Rail Area and will contribute to the growth and competitiveness of the European railway market. This is a substantial achievement for the Irish Presidency but much work still lies ahead to make rail transport truly competitive compared to other modes.”

The Commission’s proposal for the recast of the interoperability Directive is part of the Fourth Railway Package adopted by the Commission on 30th January 2013. The Directive on rail interoperability is focused on the removal of remaining administrative and technical barriers, in particular by establishing a common approach to safety and interoperability rules. This will contribute to increase economies of scale for railway undertakings active across the EU, decrease administrative costs, accelerate administrative procedures and avoid discrimination. The Commission’s proposal on the recast Directive on rail interoperability received a broad support from industry and stakeholders' organisations.

The Council introduced some changes in the proposal, such as the concept of “area of use” of a vehicle, a longer transitional period and the possibility for national safety authorities to issue authorisations for vehicles operating in one Member State only. European Commission Vice-President Kallas emphasised the importance of a shorter transitional period, as the provisions are urgently needed to boost competitiveness and promote modal shift towards rail transport. He also underlined that deviations from the concept of a single EU-wide vehicle authorisation must be limited in time.

The European Parliament has started its examination of the Commission's proposal and aims at voting in committee in November 2013. The Commission will continue to work together with the Council and the Parliament to reach an ambitious agreement on this essential part of the Fourth Railway Package.

Council and European Parliament reach agreement on guidelines for the development of the trans-European transport network

(Source: Council of the EU, 12th June 2013) The Member States' Permanent Representatives endorsed on Wednesday 12th June the compromise reached between the Council and the European Parliament in their negotiations on new guidelines defining a long-term strategy for the development of a complete trans-European transport network (TEN-T), consisting of infrastructure for railways, maritime and air transport, roads and inland waterways.

The agreed text still needs to be formally approved by the European Parliament, whose vote in plenary is expected to take place in the months ahead, and by the Council, which is due to take its decision after the vote in the Parliament.

The new regulation, which is to replace the current guidelines adopted in 1996, amended in 2004 and updated in 2010, introduces in particular a new double-layer structure distinguishing between a core network to be put into place as a priority and a comprehensive network to be completed later on. The guidelines lay down the requirements for the management of the infrastructure and the priorities for the development of the TEN-T network, which is designed to cover all Member States and regions as well as all transport modes. The guidelines set out the framework for identifying projects of common interest contributing to the development of the network. The aim is to tackle the main problems encountered: missing links, in particular at cross-border sections, infrastructure disparities between and within Member States, insufficient multi-modal connections, greenhouse gas emissions from transport and inadequate interoperability.

The compromise resulting from the negotiations between the Council and the European Parliament covers issues such as:
– The binding deadline of 2030 for the completion of the core network and an aspirational deadline of 2050 for the comprehensive network.
– The concept of corridors as an instrument for the implementation of the core network, stressing, in particular, the multi-modal character of the corridors, with special emphasis on Motorways of the Seas, and the priority to be given to cross-border sections; moreover, co-ordination between the core network corridors and the existing rail freight corridors needs to be ensured, and a Corridor Forum will be established as a consultative body.
– Exemptions from the core network infrastructure requirements for railways as regards the European Rail Traffic Management System (ERTMS) and line electrification, and for inland waterways with respect to draught and minimum height under bridges.
– An evaluation to be made by the Commission when reviewing the implementation of the core network in order to assess if new sections should be included in the core network.
– The involvement of public and private stakeholders, including local and regional authorities and the local civil society, in the planning and implementation of projects.
– The reporting obligations of the Member States and the Commission.
– Changes to the maps indicating the layout of the comprehensive and core networks; these maps will be included in the annexes of the Connecting Europe Facility (CEF) regulation, the future funding instrument for the trans-European energy, telecommunications and transport networks.

The European Commission presented its proposal in December 2011. The negotiations between the Council and the European Parliament were based on the “general approach” that the Council had reached on the text in March 2012, on the one hand, and the amendments put forward by the competent Parliament Committee in December 2012, on the other hand.

Industry welcomes life-saving eCall proposal

(Source: ACEA, 13th June 2013) The European Automobile Manufacturers’ Association (ACEA) welcomes the legislative proposal on eCall published on Thursday 13th June by the European Commission, and calls on all stakeholders to work together to deliver safe, affordable motoring on Europe’s roads. The industry is committed to drastically reducing the number of deaths involving motor vehicles. The rollout of eCall is just one of many developments designed to reduce road-related casualties.

“eCall has the potential to save lives by shortening reaction time, enabling emergency services to respond as rapidly as possible within the ‘golden hour’ after an accident,” stated ACEA Secretary General, Ivan Hodac.

In August 2004, ACEA became one of the first signatories of the Memorandum of Understanding (MoU) on eCall, a system designed to automatically alert emergency services in the event of a road traffic accident or collision. Alongside its members, ACEA has actively participated in developing effective solutions for the pan-European 112 eCall.

Any public eCall service must be pan-European and available to all customers before the system becomes obligatory. Therefore, to work properly, EU infrastructure must be ready and able to receive eCalls. “Throughout the development process ACEA has consistently outlined the importance of parallel contributions from all stakeholders,” said Mr Hodac. “Everyone and everything has to be in place for it to work.”

Accordingly, other stakeholders must uphold their commitments to the technology, Public Service Answering Points (PSAPs) must be ready in all Member States, and Mobile Network Operators need to be prepared before in-vehicle systems are enforced.

To make the adoption of eCall cost-effective, ACEA calls for adaptable eCall solutions based on technology-neutral legislative requirements, permitting embedded, mobile phone based and third-party solutions.

The current proposal does not specify the eCall system's precise technical requirements, which would be expected in a subsequent Delegated Act in 2014. "The automobile industry is very concerned that the proposed October 2015 entry into force does not respect the 36 month lead-time that the industry will need to implement the technical adaptations, as recommended in CARS 2020," stated Mr Hodac. "Also, considering the Member States' requirement for working infrastructure to be in place, the time needed for legislative procedure and the need to assess the technical and legal challenges, this target date is highly ambitious."