ECG News

ECG – The Association of European Vehicle Logistics

Issue 13.47, 25th –29th November 2013

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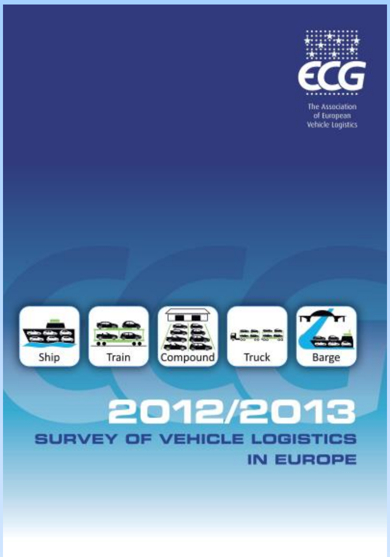

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To order a copy of the new ECG survey, please click on the following link: http://www.ecgassociation.eu/PublicationsReports/ECGBiennialSurvey.aspx

Odette Webinar: Easier Greenhouse Gas Reporting

(Source: Odette International, 28th November 2013) Companies are increasingly faced with requests for information on Greenhouse Gas (GHG) emissions arising from their freight operations. To provide a framework to meet these new reporting requirements, Odette International recently published the "Guidelines for Reporting Freight GHG emissions" (free to download on http://www.odette.org/publications/file/guidelines-for-reporting-freight-greenhouse-gas-emissions) - a first of its kind for the industry. Developed by a team of experts, these Guidelines aim to improve understanding of the relevance of freight GHG emissions to the automotive industry and to provide clear guidance on the steps needed to produce meaningful emissions reports, based on the use of the most appropriate existing initiatives. These include the general recommendations from the GHG Protocol, the new French legislation and the latest European CEN standard (European Committee for Standardisation). To complement the Guidelines and to help automotive companies to build their GHG reporting strategy, Odette is holding a webinar where environmental experts from Ford of Europe, Volvo Group and Renault will explain what has been included and issues such as:

- The impact of recent legislation on automotive industry practices
- The basic concepts of GHG emissions reporting
- The six steps to success
- Their individual implementation plans
- The accuracy levels that can be achieved

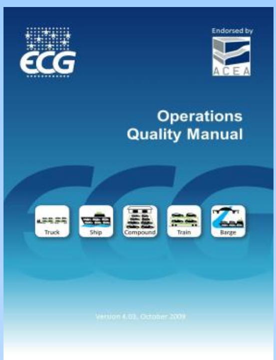
The webinar will include practical examples and advice plus the opportunity to ask questions and exchange views directly with the experts.
When: Thursday 5th December 2013, from 13.00 to 14.00 CET
To register: https://www3.gotomeeting.com/register/278424398
(In order to download the Guidelines for Reporting Freight GHG emissions and other Odette publications, please visit the webpage http://www.odette.org/publications/category/general.)

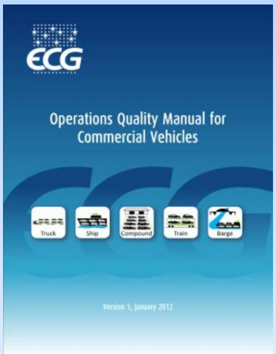
NEWS FROM BRUSSELS

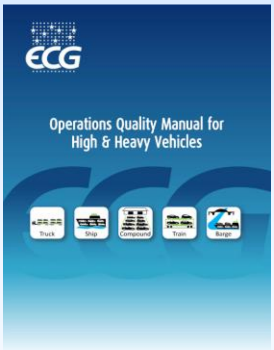
Compromise deal struck on car emissions

(Source: European Voice, 26th November 2013) MEPs and Member States reached a compromise agreement on 26th November to revise a deal limiting CO_2 emissions from cars. Germany objected to the original deal, struck in June by Ireland, which at the time held the rotating presidency of the Council of Ministers. Germany demanded that a limit of 95 g/km fleet average set for 2020 be phased-in over a four-year period. But Socialist, Liberal and Green MEPs said in the first two rounds of renegotiation with Lithuania, which now holds the Council presidency, that any phasing-in was unacceptable. However, on 26th November MEPs agreed to a limited one year phase-in period. Under the deal, 95% of new car sales will have to comply with the target in 2020 and 100% in 2021. The compromise would also expand the 'super-credits' scheme, which allows electric vehicles to count more towards the fleet average. The deal must still be approved by Germany. Member states will discuss the compromise at a meeting on 29th November. The compromise must also be acceptable to MEPs, who have been enraged by Germany's intervention. NGOs said they were still angry that Germany had managed to scupper the first deal by pressuring other member states. However, there was also relief that it looks like the impasse will not completely derail the legislation. “It is disgraceful that the heavy-handed lobbying of Germany has paid off in weakening the 95g target by a further 5g to please its car-makers, said Greg Archer of campaign group T&E. “Still, this revised deal will provide much needed regulatory certainty and ensure cars continue to reduce their CO_2 emissions and improve fuel efficiency. Time has run out and the Council must now sign this off without further amendment or delay.”

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







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

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Roads must be maintained to save lives and money

(Source: ACEA, 27th November 2013) The *Féderation International de l'Automobile* (FIA), the European Road Federation (ERF), the International Road Transport Union (IRU) and the European Automobile Manufacturers' Association (ACEA), along with leading safety organisations EuroRAP and Euro NCAP, call on the European Commission and national governments to step-up road maintenance standards. The organisations – which represent consumers, road and vehicle industries, and safety bodies – made this call in a joint statement issued on 27th November to coincide with the publication of 'Roads that cars can read' by EuroRAP and Euro NCAP. The report points out that inadequate maintenance and differences in road markings and traffic signs are now a major obstacle to the effective use of technology in vehicles, such as lane departure warning and traffic sign recognition. "Roads that are not regularly maintained cost many times more to repair and reconstruct. They result in avoidable death, bodily injury and damage, and fail to provide the connectivity on which jobs, the economy and society depend," caution the organisations in the statement which was issued at FIA's event, 'Developing safe, efficient and connected mobility'. The organisations call on EU Member States to maintain road infrastructure, keeping it safe and fit for its modern purpose. "Throughout Europe, the declining condition of our roads has become a matter of deep concern," the statement reads. "The failure to maintain the value of this fundamental asset underpinning the entire European economy and society brings costs that everyone will pay in higher taxes, higher motor and health insurance, and fewer jobs. Failure to manage the financing of proper road maintenance is a failure of good government. "This failure is not only putting drivers at risk, but also the effective operation of future vehicle safety technologies in which European companies and institutions have invested billions. Improved vehicle safety has been the single most important reason that road deaths have fallen in the last decade in many countries. There must now be concerted action on safe roads, safe vehicles and safe driving to move the 300,000 annual deaths and serious injuries and 2% loss of GDP in Europe towards zero, in line with Europe's declared long-term vision." The statement concludes: "We call on the Commission and all stakeholders to support this strategy to develop roads that both drivers and vehicles can read."

AUTOMOTIVE INDUSTRY

PSA hires ex-Renault COO Tavares as next CEO

(Source: Automotive News Europe, 25th November 2013) PSA Peugeot Citroën has hired former Renault Chief Operating Officer Carlos Tavares to lead the French manufacturer out of a six-year slump in European demand that has sapped the finances of the region's second-biggest carmaker. Tavares, 55, will replace Philippe Varin, the 61-year-old current CEO, in 2014, the Paris-based company said in a statement Monday. Tavares will join the management board on 1st January and take over as CEO later in the year, PSA said, without specifying the date. Tavares, who left his position as Renault's COO three months ago, will need to return PSA to profit, stop cash consumption and expand outside Europe. As the third CEO to lead the automaker in seven years, he will also be charged with bringing stability to the automaker in an industry where strategic plans take years to unfold. "This regular changing of CEOs and the overall instability of the management board over the last few years is more proof of the lack of clarity," Florent Couvreur, an analyst at CM-CIC Securities, said on 25th November. Tavares left Renault at the end of August, two weeks after *Bloomberg* published an interview with him saying that he would like to run another automaker because CEO Carlos Ghosn, 59, planned to stay for the foreseeable future. Tavares spent more than three decades at Renault and affiliate Nissan Motor, rising through the ranks to eventually take over as Ghosn's

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No. 2 at the French automaker. Tavares, who races cars himself, was working to add a sports-car brand and luxury marque at the Renault group. Before departing from PSA, Varin plans to focus on strategic discussions with potential partners. The automaker is holding talks to expand an existing collaboration with Dongfeng Motor to lower PSA's reliance on Europe, where it sells more than 50% of its vehicles. PSA has proposed a capital increase of at least €3bn, in which Dongfeng and the French state would take equal holdings of about 20%, people familiar with the matter said in October. That plan has hit a snag as Dongfeng seeks a smaller stake than first discussed. Dongfeng is weighing to buy about 10%, half the size of the original proposal. The Chinese company is more interested in expanding an existing industrial venture than purchasing a stake, they said. A key challenge for the new chief will be returning the French manufacturer, which reported a first-half operating loss of €510m in its automotive unit, to profit. The carmaker is also working to reduce cash consumption by 50% this year to €1.5bn. Under Tavares, Renault reported unexpected growth in first-half profit as labour-cost reductions and higher vehicle prices more than offset an industrywide slump in European deliveries. When Tavares oversaw North America for Nissan, 43% owned by Renault, he helped the company earn 209bn yen ($2.0bn) in the region in the year ended March 2010, versus a 46.7 billion-yen loss in 2009.

Skoda innovates at Czech plant

(Source: Automotive Logistics, 26th November 2013) VW's Skoda division has announced a series of logistics projects, designed to improve transport efficiency and reduce costs, that it said will be pioneered at its main production facility at Mladá Boleslav in the Czech Republic. The first of three innovations devised by the company is the implementation of new transport containers for steering wheels. The container will allow up to 20% more space for the parts and has been designed to weigh significantly less – 62kg lighter – than the prior model. It will also be able to carry steering wheels for a variety of different models, something that was not possible before. The improvements in this one project alone have reduced the average cost of transporting a single unit by up to 40%. An improved sequencing of the containers will also speed up the supply of the steering wheels to the assembly line. A third innovation the carmaker has made is to improve the system for transporting components around the facility and to the line side, which has now been made fully automatic with the introduction of automated guided vehicles (AGVs). "Powerful logistics is a precondition for top-level vehicle production," said Michael Oeljeklaus, Skoda's production and logistics board member. "The most recent innovations in our main production facility are an important step towards further optimisation of logistics processes and hence also towards increased efficiency and productivity during production." He added that by the end of 2018 the carmaker plans to increase its annual production to at least 1.5m units.

EUROPE

FTA speaks out on cyclist safety in road haulage

(Source: HandyShippingGuide.com, 24th November 2013) The UK Freight Transport Association (FTA) has followed up the statement it released last week regarding the safety of cyclists, in the wake of the latest police crackdown on un-roadworthy lorries and a particularly horrific toll of accidents in the past few days, with a more comprehensive appraisal of the organisation's methods and intentions to make the road haulage and logistics sectors safer in this regard. It declared that a ban on trucks within urban areas would be unrealistic and explained why the schemes operating in other countries such as France and Ireland, would not be viable in UK commercial centres such as London. Christopher Snelling, FTA's Head of Urban Logistics Policy commented: "One

ECG AGENDA

► **ECG Board Meeting** on **28th November 2013** in Munich, Germany

► **ECG Russia Regional Meeting** on **5th December 2013** in Moscow, Russia

► **Webinar presentation of ECG Q3 Quarterly Survey results** on **6th December 2013**

► **ECG Land Transport Working Group Webinar** on **11th December 2013**

► **ECG UK & Ireland Regional Meeting** on **12th February 2013** in Birmingham, UK

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

death is too many and we must all do more to improve safety, cyclists, public authorities, public transport and HGV drivers and operators included. But banning HGV's is a simplistic response with massive economic and transport impacts and an un-quantified safety case. Any measures taken should be intelligent, targeted and evidence based if we are to improve safety whilst allowing our cities to function. (…) FTA believes that the idea of banning HGV's from a city like London in peak hours is naive and not commercially viable. (…) It is too simplistic to cite Paris and Dublin as examples of where HGV bans work, as in practice very few vehicles are denied access to the city centres that need to be there. The reality is that the city authorities recognise that goods deliveries are essential to the efficient functioning of the city and permit them round-the-clock access. (…) Paris only restricts the largest trucks, above about 28 tonnes gross weight. Very few trucks of this size operate on London's roads because there is already a long-standing ban on articulated vehicles in the central area. Paris also exempts a long list of vehicles, including all construction traffic, the vehicles that are most represented in recent cycling fatalities. The Dublin scheme is not a ban at all, as any vehicle of any size can move about and deliver or collect anything anywhere at any time, as long as they pay a €10 fee." Many of Britain's haulage companies are investing hundreds of thousands of pounds upgrading their HGV fleets and in driver training to improve their performance on the road. FTA has also announced the Logistics Carbon Reduction Scheme (LCRS) Awards for 2014, developed to celebrate green leaders in the freight industry. The awards will recognise the efforts of individual LCRS members to reduce their carbon emissions from freight activity.

Road fee could hit Russian carriers

(Source: Automotive Logistics, 26th November 2013) From 1st November 2014 the Russian government is imposing a new fee on trucks exceeding 12 tonnes using federal highways in Russia, equal to RUB3.5 (US$0.1) per kilometre. The Russian highways authority said the move will not have a significant effect on the road transport of finished vehicles as the costs remain below those levied on movements in Europe. It also said that innovations in the finished vehicle transport market promise greater efficiencies to counter the increased costs. This is debated by experts outside the government, who have stated that the new levy could lead to a shift in the number of vehicles moved by road to rail because of the costs associated with routes that cover more than 1,000km where unit costs per kilometre covered by road lose out to the longer distance efficiencies achieved by rail. "In European countries, the same rates are higher than those it was decided to establish from November 2014 in Russia," said Roman Starovoyt, the head of Russian highways authority Rosavtodor, and one of the authors of the bill, adding that the change in policy will have minimal impact on carriers. "According to our calculations it is expected that the decrease in net profit will be on average between 0.36-0.5%, so it should not affect the consumers of services," he added. At the same time the Russian authorities insist that the new system would have many advantages, thanks to developments in the truck market. "Innovation will really reduce the number of trucks on the roads, but as a result we will be able to abandon seasonal restrictions on truck traffic on particular highways," said a spokesperson for the Russian Ministry of Transport. "Also, as a result of innovation, there will be raised additional funds for the construction and maintenance of roads, so it will gradually improve their performance. This, in turn, will allow carriers to reduce the cost of repair of their vehicles," he added. According to the head of the research department at the Transport Institute of Natural Monopolies, Vladimir Savchuk, road transport in Russia shows greater efficiency in the movement of vehicles over a distance up to 1,000km. Between 1,000km and 3,000km rail begins to compete with road on price and, when distances exceed this, rail becomes the more efficient and economical mode. The proposed fee is more likely to see a switch in modes from road to rail on those routes that exceed 1,000km accordingly.

Events in Brussels

4th Intelligent Transport Systems Conference, by the European Commission DG MOVE on 2nd December 2013
http://ec.europa.eu/transport/themes/its/events/2013_12_02_its_conference_en.htm
ECG will attend

Transport Policy Event: "The Truck of the Future: Innovative, fuel-efficient, safe" by ACEA – The European Automobile Manufacturers' Association on 5th December 2013
http://truckofthefuture.eu/
ECG will attend

Odette International organises a webinar on Easier Greenhouse Gas Reporting on 5th December
http://tinyurl.com/oaf4t9p
ECG will attend

Better Rail Networks: Quality of Networks for All - Speed on Corridors for a Few, event organised by the Greens Group of the European Parliament on 5th December
http://www.greens-efa.eu/better-rail-networks-10901.html

Smart, Green and Integrated Transport, Information Day and brokerage event on 18th December
http://ec.europa.eu/research/transport/events/infoday2013/index_en.htm
ECG will attend

European Automotive Forum 2014 on 23rd January
http://www.eaf2014.eu/eaf/

WTO sets up panel to rule on EU-Russia auto row

(Source: EUbusiness.com, 25th November 2013) The World Trade Organization set up a panel on 25th November to settle a bitter dispute between Russia and the European Union over car import duties imposed by Moscow. Trade sources said that the Geneva-based body had approved the EU's request to set up an independent panel of trade experts tasked with deciding whether Russia was breaking global trade rules due to its controversial recycling fee, which applies only to imported vehicles. The EU argues that Moscow is not playing fair because the recycling fee severely hampers trade, has been imposed in a discriminatory fashion, and flies in the face of Russia's commitments on tariffs, which are supposed to give all 159 WTO economies a level playing field. Russia amended its legislation last month to apply the recycling fee to all vehicles, and questioned why the EU was challenging something that would no longer exist from 1st January 2014. But the EU countered that it was awaiting clarification of the changes and how they would be implemented. Russia and the EU had spent months trying to resolve the wrangling in direct talks, before Brussels in October decided to up the ante by requesting the creation of a panel. Under WTO regulations, member economies have one shot at stopping a dispute settlement process in its tracks, and Russia blocked an initial EU panel request on 22nd October, leading Brussels to try again on 25th November. The dispute over Russia's car duties is the first since the country joined the global trade bloc in August 2012. The EU made its initial complaint in early July this year, followed weeks later by Japan, though Tokyo has yet to request a panel. Both Brussels and Tokyo charge that Russia has dressed up anti-competitive trade barriers as environmental protection. The contested law levied a recycling fee on imported and Russian-made vehicles alike, but exempted companies which committed to ensure that waste is safely handled. The EU and Japan say the waiver has only applied to companies which are legal entities registered in Russia and which pledge to produce vehicles or parts in Russia, Belarus or Kazakhstan. Russia underlines that the amended legislation applies the recycling fee to all vehicles, but the EU and Japan say they still need convincing. While the panel has to issue a decision within six months, disputes can last for several years amid appeals and assessments of compliance with its rulings.

Works on the Italian rail network awarded EU co-funding

(Source: TEN-T EA, 22nd November 2013) The European Union will co-finance with almost €15 million from the TEN-T Programme two projects to improve two key sections of the Italian railway network. The first project, selected under the 2012 TEN-T Annual Programme, will receive €8.1m to upgrade the Orte-Falconara line, linking the "Railway axis Berlin-Verona/Milano-Bologna-Napoli-Messina-Palermo" to the Adriatic Main Line. Completion of these works will contribute to the overall elimination of bottlenecks along the route and bring socio-economic benefits to the region. The second project, also selected for funding under the 2012 TEN-T Annual Programme, will receive almost €6.6m of co-financing to double a section from Lunghezza to Guidonia, including some works at the Bagni di Tivoli stop and the Guidonia Collefiorito station, as well as some elements of the new Ponte di Nona stop. As a result of the works, the rail capacity in the highly populated metropolitan area of Rome will be increased, leading to more efficient and effective rail transport overall. The projects will be monitored by the Trans-European Transport Network Executive Agency (TEN-T EA) and are set to be completed by the end of 2015.

REST OF THE WORLD

Iran deal will lift sanctions on automotive trade

(Source: Automotive Logistics, 27th November 2013) The accord signed last week between Iran and six other countries designed to curtail the former's nuclear

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programme involves the lifting of certain restrictions on the trade of vehicles and automotive parts, which could be of particular advantage to carmakers with previous links to the country, including Renault, PSA Peugeot Citroën and Kia Motors. The announcement also bodes well for business amongst transport and logistics providers active in the region. The deal was struck on 24th November in Geneva and involves the US, Russia, China, France, Germany and the UK. Part of it involves the suspension of sanctions imposed on trade in the automotive and aviation sectors, as well as on petrochemical exports and gold and precious metals. In terms of automotive trade, the easing of sanctions will restore $500m in lost trade to Iran over six months, according to officials from the Obama Administration quoted by news and analysis source *Bloomberg*. French carmaker Renault has welcomed the joint plan of action but said it would be looking at the details before making any further announcement. “The first step is to study the deal closely,” a spokesperson told *Automotive Logistics*. “We are monitoring the implementation of this agreement carefully and plan to resume operations accordingly as and when details become known.” Iran was an important market for Renault and rival French carmaker PSA Peugeot in terms of complete knockdown (CKD) exports and the prospect of renewed business could be welcome news given the continued slow performance in the European market. However, share prices at Renault and PSA were seen to improve following the announcement of the Iran accord. Logistics providers are also waiting to see how the situation develops and how trends in imports and exports are affected. **Grimaldi**’s commercial and logistics director, Costantino Baldissara, who is also president of the **Association of European Vehicle Logistics (ECG)**, said that finished vehicle logistics providers hoped to benefit from a pattern change “that definitively triggers new possibilities on the market”. He added that they would try to serve OEMs’ logistics plans by granting the right capacity for new potential flows. Iran’s Ministry of Industry, Mining and Trade is holding an international conference for foreign carmakers in the capital Tehran on 30th November designed to revive its co-operation with them and introduce the capabilities of the automotive industry in the country. One of the stated aims of the conference is to discuss Iran’s potential as an export location for cars and parts to neighbouring countries, the Middle East, Asia and Europe.

Jaguar Land Rover plans building factory in Brazil

(Source: Automotive News Europe, 26th November 2013) Jaguar Land Rover will invest about 1bn reais ($436.9m) to build a new manufacturing plant in Brazil’s state of Rio de Janeiro, three government sources told *Reuters*. Production at the factory, to be built in the city of Itatiaia, could begin as early as 2015, and an official announcement is scheduled for 3rd December, said one of the sources, who is not authorized to speak on the record. “Everything is very advanced with only minor details to be worked out,” said Luiz Carlos Ferreira Bastos, Itatiaia's mayor. The factory could employ 500 to 700 people, he added. The two other government sources, both with Rio de Janeiro’s state government, confirmed that Land Rover plans to build in Itatiaia. Earlier this month, Jaguar Land Rover, owned by India's Tata Motors, said it plans to expand manufacturing and increase production in markets outside its UK home base, particularly in China and Brazil. The decision comes after rival brands BMW, Mercedes-Benz and Audi all decided to build plants in Brazil, spurred by government moves to raise taxes on imported vehicles, while offering tax breaks for automakers that increase domestic investments. “Jaguar Land Rover confirms that it is carrying out a study on the installation of a manufacturing unit in the country,” a company representative told *Reuters* on 25th November. “At this time, we cannot confirm the size of the investment or other details of the study.” Negotiations started at the beginning of this year, with Rio de Janeiro’s state government offering tax breaks and fiscal incentives to help attract the company. From January through October, Land Rover sold 8,920 automobiles in Brazil, trailing BMW and Mercedes-Benz, which sold 11,520 and 10,510 cars, respectively, according to local auto dealers association Fenabrave.

Honda starts building new plant in Brazil

(Source: Just-Auto, 27th November 2013) Honda Automoveis do Brasil (HAB), Honda Motor's production and sales subsidiary in Brazil, has started building its second car plant - in Itirapina, Sao Paulo state. The site is about 200km North West of Sao Paulo city. Planned initial annual capacity is 120,000 units and output is scheduled to start during 2015. Honda is spending about BRL1bn on the plant including its 5.8m m^2 site, building construction and production equipment. HAB will start production with the redesigned Fit [Jazz] and add more Fit-class compact models for which, Honda said, "demand is high on a global basis" suggesting the plant will also build for export, at least for the South American Mercosur free trade region. The new plant will complement an existing assembly plant in Sumare which builds the outgoing Fit and Civic sedan, doubling HAB's annual capacity to 240,000 units. Honda is also establishing a new R&D centre within the Sumare plant which will start full operation by the end of this year.

PRESS RELEASES

EU to support shipping industry in meeting SECA challenge

*(Source: **ECG**, ECSA, Interferry, CLIA Europe, 26th November 2013)* **Joint industry statement for the European Sustainable Shipping Forum (ESSF)**

With this joint statement, the shipping industry wishes to contribute to the forthcoming debate at the European Sustainable Shipping Forum (ESSF). One of the purposes of the ESSF is to assess progress towards compliance with the IMO requirement for a maximum 0.1% sulphur content in marine fuel, due to enter into force as from 1st January 2015 in SECAs (Sulphur Emission Control Areas). This requirement will be enforced in the European Union through the Sulphur Directive (Directive 2012/33/EU).

As a consequence of technical and economic uncertainties, there are serious hindrances in the financing of technical solutions that would facilitate the implementation of the 0.1% fuel sulphur content requirement. Although the European Commission's 'Sustainable Waterborne Transport Toolbox' is appreciated, major implementation difficulties remain in practice.

The shipping industry welcomes the opportunity offered through the ESSF to discuss the compelling need to address practical issues that will be encountered during the implementation process of forthcoming environmental requirements, in particular during the transition phase before and during the entry into force of new standards. The ESSF should also provide a platform to discuss possible interim measures and take due account of regional specificities wherever necessary.

The shipping industry has been directly engaged with the EU institutions for several years on a range of issues relevant to the work of the ESSF and is committed to participate in the future activities of the Forum and any specific technical subgroups that are established.

The shipping industry urges the European Commission and Member States to give high priority to consideration and implementation of interim measures and support for conversion of ships, in order to make compliance with the new requirements environmentally and commercially sustainable.

In addition, the methods that have been used for estimating future availability and costs for compliant fuel should be clarified. In this regard, consideration should be given to the actual sulphur content of fuel being supplied for use by ships. There is also a clear need to develop reliable and consistent approaches to ensure confidence in the results obtained when testing fuel samples.

The shipping industry believes that there is a compelling need to urgently address these issues in assessing the economic impact of the various technical options for compliance available to ship-owners, as well as their feasibility, and select the appropriate solution for an individual ship.

Prior to the entry into force of the new sulphur requirement, the shipping industry believes that Member States and the Commission should have a commitment to take corrective action if factual analysis within the ESSF provides evidence that the implementation of the 0.1% limit in 2015 will have detrimental effects on the sustainability of maritime transport. With this in mind and given the restricted time available before January 2015, the anticipated timeframe of the ESSF should also be clarified.

Several studies have warned of an expected modal shift from short sea shipping to transport by road. Although the estimated percentage of modal shift may differ depending on the parameters examined and the data sources used, the risk of modal shift is generally confirmed. Potential consequences could include the closure of short sea services on some routes or a reduction of the frequency of services. This is in sharp conflict with the objectives of EU transport policy, which aim at a positive modal shift away from road transport, towards more environmentally efficient transport by water and rail.

European and international ship-owners have since 2008 been considering a wide range of possibilities for compliance, including identification of the need to confirm adequate availability of compliant fuel, use of LNG as an alternative fuel, the use of scrubbers and other technology, use of alternative energy sources, etc.

It has become increasingly clear that there are still many technical and economic issues to be solved in the short and medium term before ship-owners will be able to select the appropriate solution for individual ships with confidence.

The end of LIFE marks an end to a busy autumn

(Source: Escola Europea of Short Sea Shipping, 26th November 2013) As LIFE (financial instrument supporting environmental and nature conservation projects) logistics comes to a close, so does a period of busy courses for the Escola Europea de Short Sea Shipping. In September-October-November, six Maritime courses were organized for Spanish, French, Belgian and Italian students on the **Grimaldi** Lines Crossing between Barcelona and Civitavecchia. Four of these were LIFE MOS courses, and two were WHITE MOS.

All in all, the LIFE MOS courses were attended by a total of 200 students – from universities as well as professionals already active in the European transport sector.

Between the 21st and the 24th of September the first course of the busy period took place. The LIFE MOS Numina was organized for students coming from Italy. Between the 19th and the 22nd of October the second LIFE MOS course, Avtoritas in this case, was organised for students coming from the University College Ghent – HOGENT (Belgium) and Lycée Georges Duby (France). Between the 26th and 29th of October a LIFE MOS Gloss for professionals from Spain was organized together with the **Port de Barcelona**. Finally, between the 15th and the 17th of November a LIFE MOS Numina was organized for a group of 36 students coming from Portugal.

The languages of instruction were Spanish, Portuguese and English (depending on the course). A combination of professors and professionals from the transport sector contributed to the training and shared their expertise with the students. These included representatives of Grimaldi Lines, the Port of Barcelona, the **Ports of Rome** and Lazio and the Escola Europea de Short Sea Shipping.

The participants of all four courses could observe and experience the short sea shipping activities first hand during the trip by seeing real-life intermodal transport operations. LIFE MOS courses aim to provide training in intermodal logistics, Short Sea Shipping services and the Motorways of the Sea.

In this period the Escola also organized two WHITE MOS courses. WHITE MoS courses similarly offer training in intermodal transport and logistics, with a focus on the introduction of the policies introduced by the 2011 White Paper on Transport and are organised by the Escola without the co-financing of the European Union. Between the 2nd and 4th of October, 57 professionals attended the WHITE MOS course. The large group came from Comité de Jóvenes Ingenieros de la Asociación Técnica de Puertos y Costas. The second WHITE MOS course took place between the 5th and the 8th of October, and was organized for Peruvian students from University of ESAN.

The LIFE courses, co-financed by the EACI Agency of the European Union, have been carried out under the LIFE logistics project which will finish in November 2013.

TRAN Committee backs the expansion of alternative fuel networks

(Source: European Parliament, 26th November 2013) EU member states would have to ensure that specified numbers of electric vehicle recharging points and hydrogen and natural gas stations are built by 2020, under a draft Report endorsed by the Transport and Tourism (TRAN) Committee on 26th November. The draft rules aim to reduce dependence on oil and boost take-up of alternative fuels, so as to help achieve a 60% cut in greenhouse gas emissions from transport by 2050. The draft rules would require Member States to set targets for building publicly-available networks of electric vehicle recharging points and refuelling stations for other alternative fuels,

such as hydrogen, Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG) by 2020. Private sector players should play a leading role in developing this infrastructure, but member states should provide tax and public procurement incentives for them to do so, say Members of the European Parliament (MEPs).

By December 2020:
- a minimum number of recharging points for electric vehicles provided in the draft directive would have to be put into place by Member States, especially in towns.
- in countries where hydrogen refuelling points already exist, a sufficient number of refuelling points should be made available, at intervals not exceeding 300km. MEPs added a requirement for building up numbers of hydrogen refuelling points in Member States where they do not yet exist, with a deadline of 31st December 2030.
- for heavy duty vehicles, refuelling points for LNG along the roads on the TEN-T Core Network should be established at intervals not exceeding 400km, and
- a sufficient number of CNG refuelling points should be available, at maximum intervals of 100km.

When setting targets, Member States should pay particular attention to proving sufficient number of re-charging points and refuelling points in urban areas, say MEPs. Nationally-coordinated policy plans would have to include targets and measures to boost the take-up of alternative fuels, said the TRAN Committee. These plans should also provide for the supply of "green" electricity for electric vehicles and include targets for reducing urban congestion and deploying electrified public transport services, it added. MEPs pointed out that some funding for these plans could come from EU programmes such as Horizon 2020, the Regional Development Fund (ERDF), the Cohesion Fund and the Connecting Europe Facility (CEF).

For a detailed map of proposed EU alternative fuels networks, please see:
http://www.europarl.europa.eu/news/en/news-room/content/20131126STO26208/html/Alternative-fuels-a-spot-on-the-map

ECG Note: *The European Commission has also welcomed the adoption of the draft Directive. However, the Commission deplores the fact that the requirements for LNG for maritime and inland-waterway sectors are "less stringent" than in the original proposal. "This could lead to market fragmentation (…) and put at risk Member States' chances of meeting the requirements on sulphur content of marine fuels," according to the legislator.*

ESPO's reaction on clean fuel strategy vote

(Source: European Sea Ports Organisation, 26th November 2013) The European Sea Ports Organisation (ESPO) welcomes the outcome of the vote with regard to the deployment of a sufficient network of LNG refuelling points in the core TEN-T ports. "We believe the Rapporteur has taken the right approach. He supports the deployment of LNG, but makes the proposals more realistic by proposing to take both the existing bunkering market realities and the distances between ports into account," says Isabelle Ryckbost, ESPO's Secretary General.

But, ESPO fails to understand the introduction of a strict obligation for core TEN-T ports to provide shore side electricity to vessels requiring more than 1 MWA in berths located within 3km of residential areas. Port feasibility studies clearly demonstrate that shore side electricity is not a "one-size-fits-all" type of solution and should therefore not be imposed horizontally. It should be promoted where and insofar it is beneficial for the environment and cost-effective.

Isabelle Ryckbost points out: "We do understand the support for shore side electricity in the Parliament. European ports have been actively supporting this technology and exploring the possibility of providing shore side electricity in their berths. This has in cases led to successful implementation projects. However, in other cases port feasibility studies show a lack of significant environmental benefits and disproportionate high investment costs. We are therefore convinced that any investment on shore side electricity needs to be justified through local feasibility studies and not imposed through a strict obligation."

The plenary vote of the Fidanza Report is due to take place in February 2014. The TRAN Committee gave a mandate to the Rapporteur to start negotiations with the Council with a view to reaching a final agreement in spring 2014. Awaiting this agreement, ESPO hopes to have the opportunity to further inform Parliament and Council about the concrete experience European ports have with shore side electricity, in order to find a solution that is workable, environmental and cost-effective.

ESPO endorses the draft Report on ports

(Source: European Sea Ports Organisation, 26th November 2013) The European Sea Ports Organisation (ESPO) welcomes the draft report of Mr Fleckenstein on the proposal for a Port Regulation. In its response to the Commission proposal, ESPO listed its main concerns that, if not taken into consideration, would make it impossible for ESPO to accept the Commission proposal.

A number of these concerns have been addressed by the Rapporteur in his draft report. ESPO welcomes in particular:

- The proposal to exclude dredging from the scope of this Regulation;
- The way the freedom to provide services is regulated, taking into account the specific situation of the port;
- The clarification that in case of limitation of the number of service providers the managing body of the port should set up an open, transparent non-discriminatory procedure. The concession procedure should only be followed in cases it concerns a "concession".

The draft report also improves the Commission proposal on the following issues:

- The recognition that port authorities must be able to set their own charges taking into account their economic strategy;
- A more pragmatic and less burdensome approach as regards the independent supervisory body and the users committee.

ESPO's Secretary General Isabelle Ryckbost says: "Mr Fleckenstein has been visiting different ports and had different meetings with port representatives. Our members appreciate very much this open dialogue and recognise the efforts the Rapporteur has made to understand European ports and port authorities. The draft report shows the Rapporteur's understanding of European ports and their diversity. Even if not all issues are solved, this report is a first important step. The Port Regulation remains a difficult exercise for our members, but we are looking forward to continue the discussion with the Rapporteur and the shadow Rapporteurs in view of further improving the proposal."

ESPO's more detailed position on the draft Fleckenstein Report can be found here: http://www.espo.be/images/stories/News/espo_news/2013/2013-11-21%20response%20espo%20to%20report%20of%20mr%20fleckenstein.pdf