



## CONTENTS

<b>NEWS FROM BRUSSELS</b>	<b>2</b>		
Commission accepts legally binding commitments from DB	2	Marseille Fos partners with TEA for FVL terminal	7
Consultation on real-time traffic information services	2	LSPs ally with AIAG to enhance FVL operations	8
TEN-T Executive Agency replaced by the Innovation and Networks Executive Agency	2	Studies for Slovenian rail station upgrade at Pragersko awarded EU funds	8
Studies on LNG bunkering infrastructure	3	Austrian rail bridge construction to benefit from EU funding	8
Stricter shipping emission controls	3	Germany stands firm on road toll scheme that irritates EU	9
<b>AUTOMOTIVE INDUSTRY</b>	<b>4</b>	<b>REST OF THE WORLD</b>	<b>9</b>
Fiat agrees to buy remaining Chrysler stake for \$4.35 billion	4	Mazda builds first car at Mexico plant	9
Fiat's Mirafiori production revamp imminent according to unions	5	EU requests WTO consultations over Brazil's discriminatory car tax	10
VW to open logistics centre in Poland	6	<b>PRESS RELEASES</b>	<b>10</b>
UK 2013 car sales figures top SMMT forecast	6	"The Future Car" drives into the Baltic market – Tesla Model S	10
Spain's market recovering but logistics is lagging says Ford	6	EIB supports the rehabilitation of railway infrastructure in Hungary with €250m loan	10
<b>EUROPE</b>	<b>7</b>	Commission helps make city journeys easier and greener	11
BLG to handle supply of harnesses for Mercedes	7		



**C.A.R.** Control Automotive Risk  
**Consulting Group**

## NEWS FROM BRUSSELS

### Commission accepts legally binding commitments from DB

(Source: European Commission, 18<sup>th</sup> December 2013) The European Commission has accepted the commitments offered by the German railway incumbent Deutsche Bahn (DB) regarding its pricing system for traction current in Germany and made them legally binding. Traction current is the electricity used to power locomotives. The Commission had concerns that DB's pricing system, in particular discounts that only railway companies belonging to DB could obtain, may have hampered competition in the German markets for rail freight and long-distance passenger transport in breach of EU antitrust rules. To address these concerns, DB offered to introduce a new pricing system for traction current that would apply uniformly to all railway companies and should enable electricity providers not belonging to the DB group to directly supply traction current to railway companies. After DB amended its initial commitments proposal in light of the results of a market test, the Commission is satisfied that the final commitments remedy its competition concerns. As of 1 July 2014, DB Energie will grant electricity providers access to its network for supplying traction current. In addition, DB Energie will introduce a new pricing system which will market the price of electricity separately from the fee charged for accessing the network. The latter is regulated by the German regulator for network industries, the Bundesnetzagentur. To foster market entry, DB Energie renounces applying any discounts to its electricity offer. For the year starting in July 2014, it will also grant a 4% reduction on the price of traction current to all railway companies not belonging to DB, based on their invoice of the preceding year. This will ensure that railway companies immediately benefit from lower prices until the effects of increased competition will set in. These lower prices for traction current will contribute to ending the margin squeeze and restoring the ability of railway companies to compete with DB on the rail freight and long distance passenger markets. The Commission will closely monitor the implementation of the commitments with the support of a monitoring trustee.

### Consultation on real-time traffic information services

(Source: European Commission, 20<sup>th</sup> December 2013) The European Commission has launched an on-line public consultation on the provision of EU-wide real-time traffic information services. The stakeholder consultation targets among others associations, non-government organisations, companies and academia. The Commission is seeking views in particular on the extent of the problem with existing services, the assessment of scope for improvement and the relevance and impacts of the proposed options. The results of this consultation will feed in into an on-going cost-benefit analysis, with a view of a possible proposal of the Commission for specifications under Directive 2010/40/EU (the "ITS Directive") which would address the issue of provision of EU-wide real-time traffic information services.

**ECG Note:** ECG members are welcome to participate in this consultation and can send their responses as well to the Secretariat. More on the consultation can be found here (the deadline for responses is **14<sup>th</sup> March 2014**):

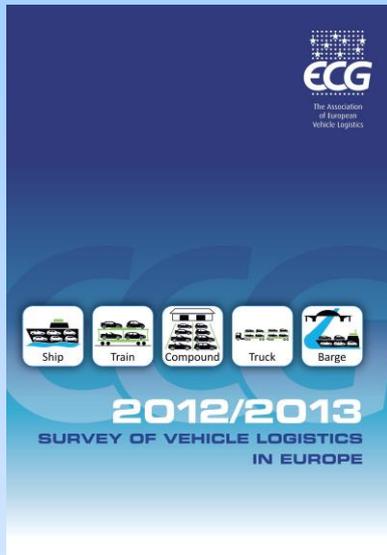
[http://ec.europa.eu/transport/themes/its/consultations/2014-03-14-rtti\\_en.htm](http://ec.europa.eu/transport/themes/its/consultations/2014-03-14-rtti_en.htm)

### TEN-T Executive Agency replaced by the Innovation and Networks Executive Agency

(Source: INEA, 8<sup>th</sup> January 2014) The European Commission has announced that the new Innovation and Networks Executive Agency (INEA) will officially begin its operations on 1<sup>st</sup> January in order to manage several of its major funding programmes. INEA is the successor of the TEN-T EA (Trans-European Transport Network Executive Agency), which was created by the European Commission in 2006 to manage the technical and financial implementation of its TEN-T

**NOW 50% OFF!**

**The ECG Survey of Vehicle Logistics 2012-2013 is now half price**



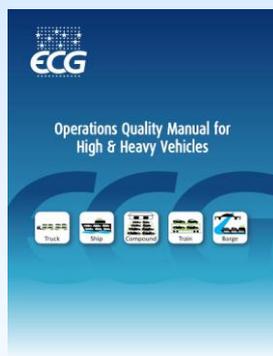
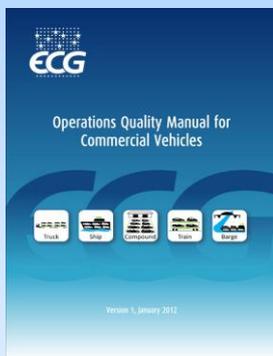
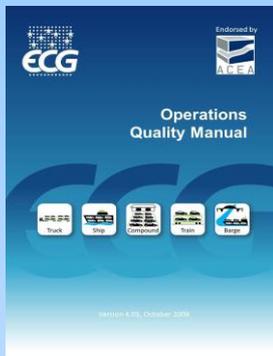
**From €50 for members  
From €125 for non-members**

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

To order a copy of the new ECG survey, please click on the following link:

<http://www.ecgassociation.eu/PublicationsReports/ECGBiennialSurvey.aspx>

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



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

For comments or inquiries please contact: [info@ecgassociation.eu](mailto:info@ecgassociation.eu)  
T: +32 2 706 82 80

Programme. INEA will manage parts of the new Connecting Europe Facility (CEF) and Horizon 2020 programme. The CEF is a key EU financial instrument to promote growth, jobs and competitiveness through targeted infrastructure investment at European level. It is divided into three main areas:

- CEF Transport (€24.5bn)
  - CEF Energy (€5.2bn)
  - CEF Digital (telecommunications) (€0.3bn)
- (Total CEF = €30bn – for the period of 2014-2020)

It will also manage two parts of Horizon 2020, the EU's main financial instrument for the research area. The Smart green and integrated transport (€3.0 billion) and Secure, clean and efficient energy (€3.9 billion) are part of H2020's "Better Society" objective tackling societal challenges shared by all Europeans. Last but not least, INEA will continue to manage the remaining 2007-2013 TEN-T Programme projects, as well as the remaining projects from the Marco Polo Programme (freight logistics), which it takes over from the Executive Agency for Competitiveness and Innovation. INEA, based in Brussels, has a current staff of 105 which will increase as it takes on its new responsibilities.

### Studies on LNG bunkering infrastructure

(Source: INEA, 9<sup>th</sup> January 2014) The European Union (EU) will support with just over €1m from the TEN-T Programme a series of studies to analyse the potential introduction of liquefied natural gas (LNG) infrastructure in Spain and France. The studies, selected for funding under the 2012 TEN-T Multi-Annual Call, aim at determining the feasibility of implementing LNG bunkering facilities in the Port of Roscoff (northwest France) and the Port of Santander (northern Spain). They take into account the conformity of the infrastructure and equipment with the standards for risk prevention, environmental protection and the eventual constraints, revealed by the impact assessments and the public inquiries. LNG is rapidly emerging as a more environmentally friendly fuel for the maritime sector and its uptake is encouraged by the EU. The European market for LNG for maritime transport is presently limited and infrastructure to cater for the small-scale supply of LNG is almost non-existent. The findings of these studies will be an essential decision making tool for: the ferry operator, to start the construction and the retrofit of LNG vessels; port authorities in Roscoff and Santander that will be able to plan the design and the implementation of LNG bunkering stations; the authorities in charge of the public passenger transport in Cantabria; and helping to contribute to the realisation of the "Motorways of the Sea" (TEN-T Priority Project 21) concept.

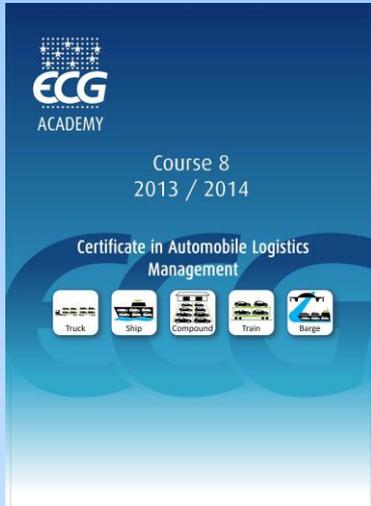
### Stricter shipping emission controls

(Source: EurActiv, 9<sup>th</sup> January 2014) Tightening a European Commission proposal to reduce shipping emissions would bring greater CO<sub>2</sub> cuts as well as lowering operational costs for ship-owners by up to €9m a year, according to a new study published on 9<sup>th</sup> January. The shipping industry is currently the only EU transport sector that has no greenhouse gas emissions reductions obligations even though the sector is responsible for 3% of global CO<sub>2</sub> emissions. These are expected to grow by 40-50% by 2020, according to the green NGO Transport and Environment (T&E). But the Commission has been bruised by international battles over its scheme to bring aviation into the Emissions Trading System (ETS) and last summer only proposed a regulation on the monitoring, reporting and verification (MRV) of CO<sub>2</sub> emissions from maritime transport. Campaigners thus want the European Parliament to strengthen the proposal by taking the new study into account. "As the shipping industry pushes back against new laws to make shipping greener, this study shows that it makes perfect environmental and economic sense to use modern technologies and consolidate reporting requirements into one regulation. We therefore call on the European Parliament to strengthen the proposal to ensure that all harmful pollutants can be more effectively controlled," NGO Seas at Risk said. Three parliamentary committees will have to vote on the MRV proposal in the coming month, starting with the



## ECG Academy

Course 9 will commence in October 2014



This practice oriented course takes place over **five modules**, 22 days of intensive training. The modules are held at different locations in Europe to give the participants insights into practical realities of the different elements that make up vehicle logistics. It is targeted at both experienced practitioners and new entrants to the supply chain management.

### Benefits:

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

For more information please contact [info@ecgassociation.eu](mailto:info@ecgassociation.eu)

Industry, Research and Energy (ITRE) Committee on 9<sup>th</sup> January. Maritime policies are known to be at the heart of the Greek presidency of the Council of Ministers, raising hopes that stronger focus will be placed on the proposal, Liberal MEP Theodoros Skylakakis told *EurActiv*. "Given that maritime policies are one of the main priorities of the Greek presidency and the MRV is an important legislative initiative in this respect, I have already seen an intention, in terms of scheduling, to move quickly on the file with a view to have a first reading agreement, if possible, before the end of this legislature," he said. "In terms of substance, I expect to see the Council intending to find a satisfying compromise on the file that could conciliate commercial interests with environmental concerns in a simple legislative framework." Concretely, the Commission's MRV proposal would give large ship-owners the choice between four different monitoring mechanisms on voyages to, from and between EU ports:

- Bunker Fuel Delivery Note (BDN) and periodic stock takes of fuel tanks;
- Bunker fuel tank monitoring on board;
- Flow meters for applicable combustion processes; and
- Direct emissions measurements.

While the first two methods are cheaper in terms of investments costs, the flow measurement and direct emissions monitoring systems give more accurate fuel consumption estimates, according to the T&E study produced by the environmental consultancy CE Delft. Environmental activists warn that if emissions from ships were reported as a country, they would be the 8<sup>th</sup> largest emitter. But analysts also say that the Commissions' MRV proposal fails to tackle the problem seriously. The EU executive expects to reduce maritime CO<sub>2</sub> emissions by 2% with its legislative proposal. But CE Delft does not believe that the MRV proposal will significantly cut emissions because it does not "require accurate measurement of fuel consumption or the reporting of indicators that are specific enough for charterers to use in their evaluation of ships." The report's authors note that the most fuel efficient shipping companies have relied on fuel flow monitoring. Advanced monitoring technologies would also be able to take other pollutants into account, such as sulphur oxides (SO<sub>x</sub>) and nitrogen oxides (NO<sub>x</sub>), which are not part of the Commission's proposal, yet are a big part of air pollution caused by the shipping industry. The study highlights that "investing in these modern systems could also lower the cost of complying with international shipping air pollution standards, such as the 2015 sulphur limits." The shipping industry supports lower emissions targets but says there are not enough low-sulphur fuels being produced to meet today's needs. Meanwhile, the Roundtable of International Shipping Associations says steady improvements in efficiency, ship design and the development of alternative fuels will lead to more environmentally-friendly shipping.

To read the study, please follow the link below:

[http://www.transportenvironment.org/sites/te/files/publications/CE\\_Delft\\_7B83\\_Economic\\_impacts\\_of\\_MRV\\_Def%20%281%29.pdf](http://www.transportenvironment.org/sites/te/files/publications/CE_Delft_7B83_Economic_impacts_of_MRV_Def%20%281%29.pdf)

## AUTOMOTIVE INDUSTRY

### Fiat agrees to buy remaining Chrysler stake for \$4.35 billion

(Source: *Automotive News Europe*, 1<sup>st</sup> January 2014) Fiat said on 1<sup>st</sup> January that it had signed an agreement to buy the remaining 41.46% stake it does not own in Chrysler Group from the United Auto Workers VEBA Trust, the last step needed before the Italian and US carmakers can merge. In a statement, Fiat said the voluntary employee beneficiary association, which covers health care costs for the union's retirees, would receive \$3.65bn for the stake. Chrysler also agreed to separately make a total of \$700m in four annual payments to the UAW's trust fund. The deal is expected to close on 20<sup>th</sup> January or before, Fiat said. "In the life of every major organisation and its people, there are defining moments that go



Truck



Ship



Compound



Train



Barge

## ECG AGENDA

- ▶ **ECG Land Transport Working Group meeting on 16<sup>th</sup> January 2014** in Frankfurt, Germany
- ▶ **ECG UK & Ireland Regional Meeting on 12<sup>th</sup> February 2014** in Birmingham, UK
- ▶ **ECG Spring Congress & General Assembly on 22<sup>nd</sup> & 23<sup>rd</sup> May 2014** in Athens, Greece

down in the history books,” Sergio Marchionne, CEO of both carmakers, said in a statement. “For Fiat and Chrysler, the agreement just reached with the VEBA is clearly one of those moments.” Fiat Chairman John Elkann said in the statement he has been looking forward to this day since the rebuilding of Chrysler began in 2009. The deal will allow Chrysler to avoid an initial public offering. Fiat will pay the trust \$1.75bn from cash on hand when the deal closes. The Turin-based company said it would not need to make any capital increase through a rights issue. Chrysler will contribute \$1.9bn through a special dividend to complete the transaction for the 41.5% stake. The \$700m will be paid in a series of four \$175m annual payments from Chrysler to the VEBA Trust, but come with a change agreed to by the UAW. With the payments, the UAW has agreed that its members will adopt the best practices in use in Fiat plants around the world, instead of those just in use within the United States, a Chrysler source explained. Full ownership of Chrysler will enable Marchionne to create a global industry player with better scale to challenge General Motors and Volkswagen. He has tried since taking the helm at Fiat in 2004 to buy a competitor to give the struggling Italian manufacturer a worldwide market strategy for growth. Marchionne estimated in June that Fiat and Chrysler combined would be the world’s seventh-largest carmaker. Merging the two companies would allow Fiat to pool cash with Chrysler and tighten co-operation between its Alfa Romeo, Lancia and Maserati brands with Chrysler, Dodge and Jeep. Fiat has relied on Chrysler to sustain profit amid losses in Europe, where the car market has fallen to a two-decade low. Group net income, including minority holdings, totalled €1.41bn in 2012. Without Chrysler, Fiat would have posted a €1.04bn loss.

### Fiat's Mirafiori production revamp imminent according to unions

(Source: *Automotive News Europe*, 8<sup>th</sup> January 2014) Fiat Group will begin modifying production lines at its Mirafiori plant near Turin very soon, union sources said, suggesting the company is making good on its pledge to safeguard car manufacturing in its domestic market. Politicians and unions have kept a close eye on developments at Mirafiori amid speculation about possible delays to the carmaker’s promised €1bn investment in the plant, where it is expected to build the new Maserati Levante SUV to help bring its money-losing European business back to profit. “We expect work on the production lines to start imminently,” said the sources from two unions representing Fiat workers, adding that some renovations had already been made to buildings, including supply warehouses. Fiat said that investments at Mirafiori were proceeding but declined to give details. The Maserati Levante is expected to be sold starting in 2015 as part of Fiat’s plan to boost the high-end brand’s sales to 50,000 in 2015 from a little more than 6,000 cars in 2012. Besides the Maserati SUV, Fiat is expected to produce another new model at Mirafiori, possibly a luxury Alfa Romeo, the union sources said. Fiat has said it would announce a new industrial plan and detailed investment programmes, including for Italian plants, at the end of April. Unions and politicians last week said that they hoped the Chrysler deal will channel investment into underutilised Italian factories, which tick along at just 41% of capacity, according to 2013 estimates from industry research company IHS Automotive. The new plan will include news on the strategy for the Alfa Romeo brand and clarify the future of Fiat’s Cassino plant in southern Italy, where new Alfa models are expected to be built. Fiat currently takes advantage of a state-backed temporary layoff scheme at Cassino, avoiding overproduction by keeping workers at home when market demand is lower. The scheme is due to expire at the end of February and any new agreement will be linked to investments earmarked for the site. Fiat, however, will not be required to disclose details of new models to be built at Cassino before it announces the new industrial plan, sources close to the company said.



## Events in Brussels

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

ACEA Annual Reception in the  
Autoworld Cinquantenaire Park in  
Brussels on 28<sup>th</sup> January  
*ECG will attend.*

European Railway Award 2014  
on 28<sup>th</sup> January  
<http://www.europeanrailwayaward.eu/>  
*ECG will attend.*

Rail Forum Europe organises the  
event "GALILEO and ERTMS:  
integrating two leading European  
innovations to boost EU  
competitiveness" on 11<sup>th</sup>  
February, European Parliament

## VW to open logistics centre in Poland

(Source: *Automotive Purchasing*, 23<sup>rd</sup> December 2013) Volkswagen has announced the signing of a deal regarding the construction of a modern logistics centre in Komorniki near Poznań, western Poland. The location allows direct access to the A2 highway, connecting Poznań and Świecko near the German border. The total size of the centre will amount to 30,000m<sup>2</sup>, making it the 7<sup>th</sup> largest such complex in Poland in terms of area. As stated by Ralf Jochen Berckman, the CEO of Volkswagen's Polish division, the large area will allow for an increase in the firm's productivity and efficiency. Volkswagen Group Polska, the only distributor of Volkswagen, Audi, Skoda and Porsche vehicles in Poland, says it hopes that new centre will allow them to provide same day delivery for its customers. The complex will be built as part of SEGRO Logistics Park Poznań. The development comes on the back of the company's leasing of 16,000m<sup>2</sup> at Poznań earlier in 2013.

## UK 2013 car sales figures top SMMT forecast

(Source: *Just Auto*, 7<sup>th</sup> January 2014) New car sales in the United Kingdom (UK) reached the highest level in five years in 2013 as sales of 2,264,737 cars, up 10.8% on 2012, beat the Society of Motor Manufacturers and Traders (SMMT) 2.25m forecast. December 2013 saw the 22<sup>nd</sup> consecutive monthly rise. SMMT expects a "stable" 2014 market with "sustainable growth of around 1% over the year." SMMT CEO Mike Hawes noted that "with its best year since a pre-recession 2007, the UK new car market has helped stimulate the country's economic recovery." Since 2007, the UK market has shifted away from the Upper Medium segment towards smaller cars in the Mini and Supermini segments, as well as the MPV and Dual Purpose segments. Change in buying patterns has been driven by demand for smaller, more fuel-efficient models, as well as the greater versatility offered by vehicles in Dual Purpose and MPV segments. Dual Purpose sales overtook Upper Medium volumes in 2013 to become the third largest segment. The Supermini segment remains the largest by volume, with a market share in 2013 of 35.9%. All sales types recorded growth in 2013, although it was the private sector which saw the largest volume gain. Increase in private registrations accounted for two-thirds of overall market growth. In 2013 private buyers accounted for 47.5% of the market, up from 45.5% in 2012. Registrations of hybrid and plug-in cars rose 20.5% in 2013 to 32,715 units. In 2011, plug-in vehicles (pure electric, plug-in hybrids and range extenders) accounted for 4.5% of combined plug-in and hybrid sales; this increased to 11% in 2013.

## Spain's market recovering but logistics is lagging says Ford

(Source: *Automotive Logistics*, 8<sup>th</sup> January 2014) The president of Ford's Spanish division, José Manuel Machado, has said that logistics remains the main "unfinished business" to ensure the future of vehicle manufacturing in the country, which is showing a marked improvement. He stressed that, to be more competitive, vehicle factories in Spain needed to become ever more and better connected with markets in both Europe and in those in countries across the world. He suggested that, if the industry's commitment to improve logistics connections continues, Spain could eventually produce around 3m units annually. In his opinion, the cost of logistics "is higher" than the direct cost of labour and that getting these costs down is a challenge for car makers, but is vital if Spain is to remain an industrial country in the next decade. Machado explained that, in 2008, the Ford plant in Almussafes (Valencia) lost production and its third shift, but that a plan was implemented allowing it to regain competitiveness, which resulted in the hiring of 1,500 new employees in September and the reinstatement of the third shift a year earlier than expected. At the end of November, the plant had increased this to 1,800 workers. "We are even exporting to the United States, a country where Ford has many factories," he said, adding that Spain is now considered to be something of a global centre to which important models and large volumes can be assigned. His points about the importance of the market as a production base appear backed up by a recent

## ECG Office



**Mike Sturgeon**  
Executive Director  
T: +32 2 706 8282  
[mike.sturgeon@ecgassociation.eu](mailto:mike.sturgeon@ecgassociation.eu)



**Tom Antonissen**  
EU Affairs Adviser  
T: +32 2 706 8283  
[tom.antonissen@ecgassociation.eu](mailto:tom.antonissen@ecgassociation.eu)



**Oleh Shchuryk**  
Research & Projects  
Manager  
T: +32 2 706 8279  
[oleh.shchuryk@ecgassociation.eu](mailto:oleh.shchuryk@ecgassociation.eu)



**Cliona Cunningham**  
External Relations  
Manager  
T: +32 2 706 8280  
[info@ecgassociation.eu](mailto:info@ecgassociation.eu)



**Szilvi Kiss**  
Communications Officer  
T: +32 2 706 8284  
[assistant@ecgassociation.eu](mailto:assistant@ecgassociation.eu)

report on the Spanish automotive sector published in the Spanish newspaper *El País*. "Spanish plants are increasing production, being awarded new models and are creating employment," said the report, adding that changes to salaries and labour flexibility are the keys to this improvement. The report notes that the sector is showing definite signs of recovery, although this has to be seen against a backdrop where unemployment has reached 26% of the total workforce in Spain. Flexibility among the automotive workforce has played a significant role since the 1990s and is key in the current upswing, which has seen the number of models in the last two years increase from 34 to 39. This is expected to grow to 45 in the next two years, according to industry body Anfac. As a consequence, production has increased over each of the last seven months, compared to previous drops, which had seen production slip to below 2m units. In 2013, 2.2m cars were produced, with this expected to rise to 2.4m in 2014. In the peak years of 2003 and 2004, Spanish factories regularly built more than 3m units. Indeed, while overall unemployment continued to grow during the first two quarters of last year, the automotive sector created 2,400 jobs. Investment last year amounted to €3.5bn and is scheduled to be in the region of €1.5bn this year. In the meantime, salaries for sector workers have risen by just 3% since 2005, while many workers have received no pay increases at all, according to Mariano Cerezo of the MCA-UGT union

## EUROPE

### BLG to handle supply of harnesses for Mercedes C-Class

(Source: *Automotive Logistics*, 7<sup>th</sup> January 2014) German logistics giant **BLG Logistics** has signed a contract with parts supplier Dräxlmaier for the supply of its cable harnesses to the Mercedes-Benz car plant in Bremen, northwest Germany. It is reported that the contract has been signed on a long-term basis. Since mid-December, BLG's Automotive Division has been responsible for the storage and delivery of the harnesses for the new C-Class, which is built at Bremen, from a warehouse at the industrial park in Hemelingen. The facility, which was built by Mercedes-Benz, has a storage capacity of 3,500 units and BLG spent five months developing it as a parts warehouse with facilities developer Aberle. The company now handles receiving, repacking, storage, sequencing and outgoing items at the facility. The car sets are delivered to Mercedes in a just-in-sequence process. According to BLG, as soon as a set is called, which could be once a minute, BLG has 153 minutes to supply it to the production line. The cable harnesses weigh up to 65kg and consist of three sets – the frame floor unit, the engine compartment unit and the cockpit cable harness set. Every car set is different and is tailored to the specific customer order. BLG will now carry out all aspects of automotive logistics implementation in Bremen. 14 new employees will be dealing with the new output, though Hartmut Schwerdtfeger of BLG's communications department, told *Automotive Logistics*: "With the increasing production of the new C-class, the number of our employees will also increase step by step."

### Marseille Fos partners with TEA logistics for FVL terminal

(Source: *Automotive Logistics*, 6<sup>th</sup> January 2014) The Marseille Fos port authority has selected automotive logistics specialist **TEA**, part of the Charles Andre transport group, to develop and operate a 14-hectare terminal for finished vehicles at the Brule-Tabac quay in Fos. The terminal will provide both import and export services, and is expected to be operational next month. With a capacity for up to 60,000 cars a year, it will work alongside Marseille's two existing auto facilities: the **GEFCO** base in Fos and Pinede Nord terminal in Marseille, which handled a combined 220,000 vehicles in 2012. Container traffic has increased at Marseille Fos by 29% over the last five years. Where the new platform differs from its counterparts is in its utilisation of a pre-delivery inspection (PDI) facility,



with a workshop attached to facilitate electronic checks and damage control. The Marseille Fos Port is strategically located at the centre of several southern European and Mediterranean markets, and is directly linked to river, rail and road networks. OEMs including Honda, Renault, Ford and Fiat have been long-time users of the port for their Ro-Ro requirements.

### **LSPs ally with AIAG to enhance FVL operations**

(Source: *Automotive Logistics*, 6<sup>th</sup> January 2014) Logistics providers Union Pacific Railroad and **Wallenius Wilhelmsen Logistics** have formed an alliance with the **Automotive Industry Action Group (AIAG)** in an effort to boost the latter's finished vehicle activities. The project will focus primarily on information technology, particularly with application to electronic proof of delivery (epod) and damage repairs. The AIAG, an organisation responsible for ensuring increased collaboration between OEMs, suppliers, service providers and government authorities, has existed for more than 30 years and is committed to transparency along the supply chain. One of the most important aspects of this goal is the gradual driving down of costs, as well as maintaining a presence to attract new graduates into the industry. It recently announced the implementation of a new non-degree certificate programme in partnership with Wayne State University in Michigan, designed to educate students in all aspects of current supply chain management issues. In the pipeline for AIAG is a reduction in the paper trail that surrounds much of the delivery process. Creating a system where truckers and dealers alike are able to achieve visibility is key to the future success of AIAG's activities, said Bill Kerrigan, the group's programme manager for finished vehicle logistics. "When trucks deliver cars to dealers, there is a lot of paperwork to be signed and noted. AIAG and its member volunteers are trying to develop standards and processes that get rid of paper. It's better for the environment, more efficient, and it's easier to trace information." Similarly, damage claims will be addressed, with new standards agreed upon to ensure fewer vehicles arrive at their destinations with additional work required. "AIAG and its member volunteers have a huge, ongoing effort to improve processes and establish standards to reduce damages in finished vehicle transportation and delivery," said Kerrigan. Industry volunteers at AIAG will also be working on a global finished vehicle logistics quality manual in collaboration with the **Association of European Vehicle Logistics (ECG)**, based on existing ECG guidelines and released in the next two to three months. The aim of the manual will be to establish some degree of standardisation between North American and European finished vehicle operations across the three main modes of transport. Kerrigan added: "These two global organisations are leaders in finished vehicle logistics, and AIAG is looking forward to their support of our supply chain initiatives. We rely on a volume of members coming together to get things done. AIAG is where dedicated industry professionals join up and say, 'What can we do together to benefit the industry?'" Wallenius Wilhelmsen Logistics' Executive Vice President and Head of Commercial, Rich Heintzelman, said: "As a shipping and logistics company that serves vehicle manufacturers on a global basis, Wallenius Wilhelmsen Logistics is very pleased to join the Automotive Industry Action Group. "AIAG provides a well-respected and progressive forum that auto companies look to for establishing common business practices and standards that support operational excellence, quality, and collaboration on regulatory affairs. These issues affect the entire automotive industry, and as a key supplier, WWL is excited to bring its point of view to the discussion and deepen our involvement in critical industry affairs."

### **Studies for Slovenian rail station upgrade at Pragersko awarded EU funds**

(Source: *TEN-T EA*, 19<sup>th</sup> December 2013) The European Union will co-finance with €2.1m from the TEN-T Programme a series of dedicated studies aimed at eliminating a key regional bottleneck and improving rail traffic, thus contributing to the realisation of the "Railway axis Lyon-Trieste-Divaèa/Koper-Divaèa-Ljubljana-Budapest-Ukrainian border" (TEN-T Priority Project 6). The studies, selected for funding under the 2012 TEN-T Multi-Annual Programme, include drafting of documents in order to obtain the building permit and the executive design for the Pragersko station upgrade. The upgrade of the Pragersko railway station represents a continuation of the development of public railway infrastructure in the north-eastern part of Slovenia, the modernisation of PP6 and guarantee of a suitable connection to the planned electrified and upgraded Pragersko-Ormož-Hodoš railway line. Following the studies, completion of the works will enhance the traffic flow and capacity of this important hub on PP6 and will contribute to making rail transport faster and more attractive for freight and passenger operators.

### **Austrian rail bridge construction to benefit from EU funding**

(Source: *TEN-T EA*, 20<sup>th</sup> December 2012) The European Union will support with €1.5m from the TEN-T Programme a project to construct a rail bridge over the Drau river, just east of the southern Austrian city of Klagenfurt. The project, which was selected for funding under the 2012 TEN-T Annual Call, involves the construction of a railway bridge crossing the Drau river in the city of Stein. The works include the construction of the bridge's foundation (including pillars and abutments), support structure and equipment. The project



addresses the implementation of a key rail corridor and will positively contribute to modal shift towards rail in the region and beyond.

## Germany stands firm on road toll scheme that irritates EU

(Source: *EurActiv*, 9<sup>th</sup> January 2014) The European Commission has rejected a German plan to introduce road tolls that would provide discounts for German drivers, resulting in higher costs for foreigners. German conservatives insist that such a plan is “fair”. Under the coalition agreement of the new cabinet of Angela Merkel, Germany is to introduce for the first time a road tax for cars through vignettes. But the form it will take is still unclear. The tolling issue is just one more area creating divisions in Germany’s grand coalition. The Social Democrats (SPD) predict minimal financial benefits from such a toll. But a bigger problem is the insistence of Merkel’s Christian Democratic Union (CDU) and its Bavarian sister party, the Christian Social Union (CSU), that there should be rebates for German drivers. Despite recent calls from Commissioner for Transport, Siim Kallas, to drop plans for a road toll discount for Germans, the ruling Christian Democrats are determined not to overburden the nation’s drivers. Arnold Vaatz, a Bundestag representative of the CDU, told *EurActiv.de* that he saw the toll issue more as a question of fairness. Many neighbouring countries also charge fees for drivers – including Germans – to use their roads, Vaatz explained. Conversely, it is only fair that foreign drivers also contribute to the transportation infrastructure in an important transit country like Germany, he added. If the German government then decides to refund the greater financial burden to German citizens through a reduced motor vehicle tax they should be able to do so, Vaatz argued. But in his view, the decision should apply solely to the Federal Republic. “That does not concern the EU”, he said. Commissioner Kallas has rejected new plans for tax rebates in Germany, Germany’s daily *Bild* reported on 7<sup>th</sup> January. “There should not be any free vignettes or rebates for German-registered cars alone,” Kallas said. He said to be open to a certain level of differentiation related to emissions classes. “But this would have to apply to all cars, regardless of the country in which they are registered,” said Kallas. Vaatz said that toll fees must result in a substantial added benefit for infrastructure financing. “We’re not talking about something like €100m per year”, Vaatz explained. It would have to be at least €800m or, even better, €1bn in added revenue to pay for German roads, he noted. But he admitted he was not certain whether or not this financial threshold was actually realistic. “Something that costs more than it brings in is out of the question. Period,” Vaatz went on saying. If the toll fails, he said, increasing the fuel tax would be a viable alternative. While this would probably create additional costs for German drivers, at least it would be proportional to fuel consumption. For the time being, the CDU seems to support plans by transportation minister Alexander Dobrindt from its sister party, the CSU. Earlier this week Dobrindt introduced his latest plan to make foreigners pay more to use German roads. The new plan would give Germans a tax rebate proportionate to emissions. But it is still unclear how the rebate system could be transferred to foreign car drivers. Kallas’ spokesperson Helen Kearns said on Tuesday that non-discrimination of foreign nationals towards German residents was a necessary condition also with regard to the suggested plan for a rebate proportional to emissions.

## REST OF THE WORLD

### Mazda builds first car at Mexico plant

(Source: *Just Auto*, 7<sup>th</sup> January 2014) Mazda has built the first car at its new plant in Mexico. Initial output is for the US, but cars will eventually be shipped to Latin America and Europe. The plant, named Mazda de Mexico Vehicle Operation (MMVO), is in Salamanca, in the state of Guanajuato. Mazda’s Managing Executive Officer in charge of the new emerging market operation (Latin America) and also President and CEO of Mazda Motor Manufacturing de Mexico, Keishi Egawa said: “With the start of mass production, we now have a system capable of offering vehicles of the same high quality as those made in Japan, on a global scale, and that is extremely gratifying. We are committed to continue our efforts to contribute to the growth of Mexico’s economy through the production of vehicles and the development of the excellent human resources who support and lead the automobile industry here.” Mazda has sold around 180,000 vehicles in Mexico since it entered the market in 2005. The brand sold a record 33,000 units in 2013. A Mazda UK spokesman told *just-auto* production for Europe was not imminent and would most likely be left hand drive cars only. Mazda cars sold here come from Japan, pickup trucks from Thailand. Engine machining will begin next October at the Mexico plant and car production capacity should reach 230,000 units annually in fiscal year 2015/2016.



## EU requests WTO consultations over Brazil's discriminatory car tax

(Source: European Commission, 19<sup>th</sup> December 2013) The EU requested on 19<sup>th</sup> December consultations with the Government of Brazil under the dispute settlement provisions of the World Trade Organization (WTO) on tax measures that discriminate against imported goods and provide prohibited support to Brazilian exporters. In recent years, Brazil has increased its use of the tax system in ways which are incompatible with its WTO obligations, providing advantages to domestic industries and sheltering them from competition. This is mainly done through selective exemptions or reductions from taxes on domestic goods. In September 2011 the Brazilian Government imposed a large tax increase on motor vehicles (an additional 30% on their value), coupled with an exception for domestically produced cars and trucks. This discriminatory tax was due to expire in December 2012, but in September 2012 it was instead replaced by an equally problematic tax regime, named Inovar-Auto, set to last five more years. In parallel, the Brazilian authorities took steps affecting other goods, ranging from computers and smartphones to semiconductors. Under other similar programmes, tax benefits are reserved for goods produced in certain areas in Brazil, whatever the sector. The Brazilian authorities have also broadened existing systems of tax exemptions for Brazilian exporters by enlarging the number of potential beneficiaries. These tax measures have a negative impact on EU exporters, whose products face higher taxes than domestic competitors. In addition, the measures restrict trade by favouring the localisation of production and supplies, and give an advantage to Brazilian exporters. The measures also result in Brazilian consumers facing higher prices, less choice and lower access to innovative products. The EU has raised the issue in bilateral talks with Brasilia and in WTO bodies, but so far this has not brought progress. The measures have also been highlighted several times in the EU's annual Protectionism Reports. The EU's decision to request WTO consultations is aimed at engaging with the Brazilian Government in consultations with a view to ensuring the respect of the WTO.

## PRESS RELEASES

### "The Future Car" drives into the Baltic market – Tesla Model S

(Source: Kurbads un Ko, 2<sup>nd</sup> January 2014) Last week the transport and logistics company "Kurbads" had the honour to transport the first new generation's electric cars, from a factory in the Netherlands to their new owners in Estonia, with a stop in Rīga in order to have a test drive.

After the test drive, Normunds Avotiņš admitted that this is a large step in the development of the hybrid cars because until this time, the electric cars have not been attractive neither in design nor in performance. The design of Tesla S is thought through and aerodynamic. Factually, there is a lithium-ion battery that consists of 7,000 separate sections in the car's floor, this battery ensures a 500km drive with one charge. 'A person does not buy this car in order to save on petrol. The car is expensive. In this case, this is the future's technology and an investment in its development. Simply, if a person buys Tesla, he is a pioneer', admits Norumds Avotiņš.

It is not a surprise that Estonia is the first of the Baltic countries where these kinds of cars are in use. That is so because it has the most electric charging stations in the world, calculated by the ratio between the electric car charging stations and the country's territory. The new technologies that use alternative energy sources are as well supported by the Estonian government - it gives €18,000 to buy this car.

The "Tesla Model S" is produced in Fremont, California, and only fewer than a thousand cars have been transported to Europe. A montage of cars has started in Tilburg, the Netherlands, they are made especially for the Europe's market. Estonia is the first of the Baltic countries where this futuristic car drives the roads. In addition, there is one "Tesla S" car registered in Latvia, the owner, has transported it on his own from the other coast of the ocean but this car, in theory, is not intended for usage in Europe.

Link to Tesla S test drive: <http://youtu.be/Tk9e-tSOVik>

### EIB supports the rehabilitation of railway infrastructure in Hungary with €250m loan

(Source: European Investment Bank, 8<sup>th</sup> January 2014) The European Investment Bank is lending €250m to finance the implementation of Hungary's railway infrastructure rehabilitation and upgrading investment programme for the period 2013-2016. The objective is to improve the safety, capacity and performance of the existing conventional railway infrastructure with positive impacts on commuters and long-distance travellers as well as on freight traffic.



The EIB loan will help the Hungarian railways to become more competitive and attractive in comparison with less environmentally friendly modes of transport such as by road. The project comprises various schemes located across the whole country, particularly involving the improvement of tracks, signalling, telecommunications and bridges, as well as the modernisation of stations and passenger buildings, including increasing their accessibility for people with reduced mobility.

Upgrading Hungary's transport infrastructure and rolling stock, particularly the railway network, is one of the EIB's lending priorities. EIB loans granted to the Hungarian transport sector since the start of the Bank's operations in Hungary in 1990 amount to some €4.2bn, representing 25% of the total EIB lending commitment in the country.

### Commission helps make city journeys easier and greener

(Source: European Commission, 17<sup>th</sup> December 2013) The European Commission is stepping up its support to towns and cities in a new "urban mobility package" adopted on 17<sup>th</sup> December. The Commission will reinforce the exchange of best practice, provide targeted financial support and invest in research and development. In addition, it is encouraging the development of "sustainable urban mobility plans" to stimulate a shift towards cleaner and more sustainable transport in urban areas.

Cities are home to over 70% of the EU population and account for some 85% of the Union's GDP. Most journeys begin and end in cities. In many urban areas, however, increasing demand for urban mobility has created a situation that is not sustainable: severe congestion, poor air quality, noise emissions and high levels of CO<sub>2</sub> emissions. Urban congestion jeopardises EU goals for a competitive and resource-efficient transport system.

A new Eurobarometer survey published on 17<sup>th</sup> December shows that European citizens are concerned by the negative impacts of urban mobility and many of them are pessimistic about the prospects for improving mobility in their cities. A large majority consider congestion (76%), air quality (81%) and accidents (73%) to be serious problems. Less than a quarter believe that the situation will improve in the future (24%) and most believe it will stay the same (35%) or get worse (37%).

Vice-President Siim Kallas, EU commissioner for mobility and transport, said: "Addressing the problems of urban mobility is one of the great challenges in transport today. With coordinated action we can be more successful. Local authorities are the key decision makers. They are best placed to take important local decisions, but they should benefit from support at national and EU level."

With the urban mobility package, the Commission reinforces its supporting measures in the following areas:

- Sharing experience and show-casing best practices: The Commission will set up in 2014 a European platform for sustainable urban mobility plans. This platform will help cities, planning experts and stakeholders to plan for easier and greener urban mobility;
- Providing targeted financial support: Through the European structural and investment funds, the EU will continue to support urban transport projects, in particular in the less-developed regions of the EU;
- Research and Innovation: The Civitas 2020 initiative in the framework of Horizon 2020 will allow cities, companies, academia and other partners to develop and test novel approaches for urban mobility. The first call for proposals was published on 11<sup>th</sup> December. The estimated budget for 2014 and 2015 is €106.5m. Civitas 2020 is complemented by the smart cities and communities European innovation partnership (€200m for 2014 and 2015) and activities within the European "green vehicles" initiative (€159m for 2014 and 2015);
- Involving the Member States: The Commission calls on Member States to create the right conditions for towns and cities to develop and implement their sustainable urban mobility plans;
- Working together: The Commission puts forward specific recommendations for co-ordinated action between all levels of government and between the public and the private sector in four areas: urban logistics, urban access regulation, deployment of intelligent transport system (ITS) solutions, urban road safety.

For more information on the urban mobility package:  
[http://ec.europa.eu/transport/themes/urban/ump\\_en.htm](http://ec.europa.eu/transport/themes/urban/ump_en.htm)