ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

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SAVE THE DATE

ECG Spring Congress & General Assembly 2014

22-23rd May

Athens, Greece

Find out more details on the ECG website

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

NEWS FROM BRUSSELS

‘Flawed’ Commission proposal on ship emissions gains ground in Parliament

(Source: EurActiv, 10th January 2014) The first of three crucial votes on the European Commission’s proposal on monitoring maritime emissions took place on 9th January in the Industry, Research and Energy (ITRE) Committee of the European Parliament (EP). With 24 votes in favour and 14 against, the ITRE Committee’s members backed the EU executive’s draft legislation despite warnings from experts that the proposal was too weak. The environmental consultancy CE Delft, published a report on 9th January that took a more detailed look into the elements contained in the Commission’s proposal on the monitoring, reporting and verification (MRV) of CO_2 emissions from ships. It came to the conclusion that by using more advanced monitoring methods, ships could both save millions of Euros and be more friendly to the environment. Although the study is based on a small sample of ships that use automated technologies rather than bunker delivery notes (which can often be illegible or get lost and have a higher manpower cost), the consultants and a majority of green campaigners consider that the Commission’s impact assessment should take advanced technologies more into account. The study found that ship owners could save up to €9 million by adopting more advanced monitoring methods. Those methods also help monitoring other types of emissions besides CO_2, such as sulphur, for which international limits will enter into force in 2015. Following the vote in the ITRE committee, Aoife O’Leary of the NGO Transport and Environment (T&E) said that the vote “wrongly backs archaic fuel sales receipts, which has been the common practice for the past century and is not fit for purpose as an accurate emissions monitoring system.” Over the coming month, two other parliamentary committees will have to make their positions known through a vote on the issue. NGOs are urging them “to help shippers join the 21st century and ensure only accurate monitoring methods that enable fuel-saving measures are allowed.” The Environment (ENVI) Committee, responsible for the dossier will vote on the proposal on 12th February. The lawmaker in charge of the dossier, Theodoros Skylakakis (Greece, Liberals), told *EurActiv* he believed smaller ships should also be included. The current proposal includes only ships with a gross tonnage larger than 5,000. Skylakakis would like to ensure balance between coverage of emissions and the implementation costs and administrative burden for all stakeholders. The third Committee that delivers its Opinion on the legislative dossier is the Transport (TRAN) Committee which will vote on 21st January. While the ITRE committee was voting on the draft legislation, the Green political group in the European Parliament was holding a conference on the topic on 9th January, at which the Commission was invited to present its views. Heiko Kunst from the Commission’s climate directorate (DG Clima) defended his institution’s proposal, stressing that it is “not easy to make such a proposal in the current political conditions, unfavourable to environmental regulations.” He explained that the Commission had focused on CO_2 emissions because they are “predominant [...] although no exact figures are available currently.” The maritime sector is currently the only transport industry in the EU that has is not legally obliged to reduce its greenhouse gas emissions and many environmental campaigners would like to see the EU move towards market based measures (MBM), similar to what exists for other transport modes. But Kunst said that MRV is the first necessary step before moving to MBM. “For MBM we need to know how much ships are emitting […] MRV is needed in any case, let’s implement it.” The Commission proposes to monitor the CO_2 emissions from large ships calling in or out of EU ports regardless of their flag, it excludes small ships and special ships such as military ones for which some of the data needed to monitor emissions is too sensitive to be disclosed. Kunst concluded by “congratulating the international partners” of the EU in the maritime sector, calling them “more constructive than other sectors”. In

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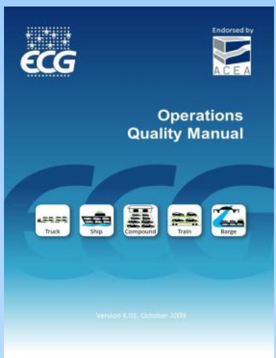

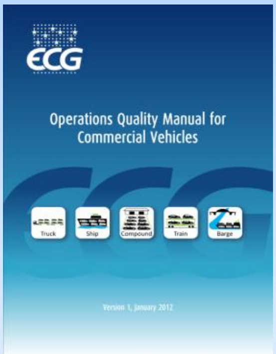

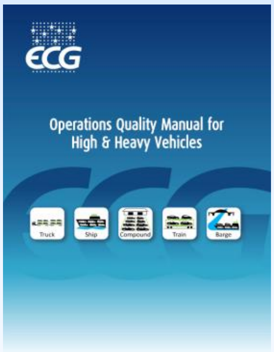

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

For comments or inquiries please contact: info@ecgassociation.eu
T: +32 2 706 82 80

the aviation sector, the EU faces massive opposition from third countries to implement its emissions trading scheme.

ECG Note: *For a link to the mentioned study by CE Delft, please see p.4 of ECG News 14.01. ECG members interested in a complete transcript of the conference in the European Parliament on 9th January, including the presentations delivered by stakeholders, please contact the ECG Secretariat.*

Mini-hearing on Inland Waterways (Naiades II)

(Source: EP TRAN Newsletter, 9th January 2014) The European Parliament's Transport and Tourism (TRAN) Committee on its meeting on 9th January held a 'mini-hearing' on the Commission's Naiades II proposal "Towards quality inland waterway transport". The first part of the hearing dealt with the integration of inland waterways in the transport chain. Experts stressed the need for adequate infrastructure, including River Information Services (RIS), integration of inland waterway transport into multimodal transport logistics chains and urban mobility plans, inland ports' key role in logistics, optimisation in freight terminals, as well as stakeholders' co-operation and co-ordination with EU institutions and other river commissions. There was clear agreement that the inland waterway transport sector should be given more attention. Members thought that an overall coherent river system in Europe with river interconnections and certified core inland ports was needed. Other modes of transport should also be considered in this system in order to ensure the development of an integrated intermodal logistics chain. Members stressed the need to promote intermodal concepts. However, they questioned whether the sector had done enough to promote inland waterway transport's advantages over other transport modes. Members and speakers pointed at difficulties in accessing finance and EU funds. The Marco Polo Programme's access conditions had been so strict that funds could not be used by the sector. The second part of the hearing concentrated on the modernisation of the inland waterway fleet. Experts explained that there was a huge potential for innovation. They stressed that greening of the fleet should be encouraged to retain the inland vessels' advantages in terms of energy efficiency and emissions. Speakers, however, acknowledged that the fleet renewal rate and integration of new technologies were very low in this sector. Members welcomed the Commission's proposal Reserve Funds to be used for greening the fleet. Some Members were, however, concerned that the unanimity required to release funds would still prevent their use. Other Members thought too much emphasis had been put on LNG as a fuel, while other alternative fuels such as ethanol could also provide environmental advantages. Members also indicated that funds should be used to improve navigation safety, in particular through the development of anti-collision technologies and training programmes for crews.

ECG Note: *ECG members interested in a complete transcript of this hearing in the European Parliament's TRAN Committee, including the presentations delivered by stakeholders, please contact the ECG Secretariat.*

Maritime themes to 'underpin' Greek presidency

(Source: The Parliament Magazine, 9th January 2014) Greece, being a maritime nation by tradition itself, recognises that Europe is bound with, and dependent on, the sea. As such, EU maritime policies constitute one of the key issues on which the Greek presidency will focus, a horizontal theme that will underpin all the priorities of the presidency. The goal of the upcoming Greek presidency's efforts in the field of maritime policies is twofold: first, to promote actions that will allow us to fully exploit the potential of the marine and maritime sectors and second, to safeguard and further our interests in the maritime commons. In tandem with this, the main idea is to redefine and restart the EU's maritime policy in all its aspects, in a way that the maritime policy is not confined solely to issues of growth and development but takes into account Europe's overall strategic interests at sea. As far as our first goal is concerned, the maritime and marine sectors offer areas for

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sustainable growth and employment, and Athens will focus on the following to capitalise on the opportunities which the two sectors offer: Within the framework of the integrated maritime policy, Athens will place particular focus on intersectional and trans-border co-operation. Emphasis will also be placed on "blue growth" to further develop the growth potential of Europe's blue economy. The Greek presidency is expected to play a decisive role in the adoption of a European Commission Directive on Maritime Spatial Planning. Furthermore, Greece will also play its role in updating the EU Maritime Strategy to cover the period up to 2018. What is more, the Greek presidency will make an important effort to create jobs and promote growth in the Adriatic and Ionian regions within the context of the EU strategy for the Adriatic and Ionian seas. It will also promote initiatives in the fields of nautical and coastal tourism. Finally, Greece is prepared to help strengthen Europe's approach to addressing irregular immigration by sea which has skyrocketed over the past few years. Europe's security is also linked to the seas. As such, Europe cannot afford to ignore the ongoing changes to the maritime environment and its security challenges, including maritime piracy, overexploitation of resources, and the geopolitical turbulence in the eastern Mediterranean, Europe's southern flank. Developing a strategy for ensuring the security and openness of the global maritime commons is therefore not so much a matter of choice and a signal of growing European ambitions, but a prerequisite for protecting Europe's vital sea lines of communication. At present, an EU Maritime Security Strategy is being formulated and the European Commission and the High Representative for Foreign Affairs and Security Policy are expected to soon present its elements. The Greek presidency will aim to secure agreement on such a strategy which should be formulated in accordance with the United Nations convention on the law of the sea. It goes without saying that in the course of its presidency, Greece aims to closely cooperate with its fellow Member States. Athens has been already co-ordinating with Rome which will take over the rotating EU presidency from Greece [*as of 1st July 2014*] in an effort to work towards a common policy agenda for 2014 with some focus on sensitive issues for the European northern Mediterranean countries, as the 'year of the Mediterranean'.

ECG Note: *This article was written by Greek MEP Georgios Koumoutsakos, Member of the European Parliament's Transport (TRAN) Committee, who has been invited as one of the keynote speakers at the ECG Spring Congress & General Assembly on 22nd and 23rd May in Athens. For more details, please see the ECG website.*

AUTOMOTIVE INDUSTRY

Infiniti working with Daimler on platform for four models

(Source: Automotive News Europe, 15th January 2014) Nissan's luxury Infiniti brand is developing a new platform with Daimler that will spawn four models including a crossover vehicle. The first car using the architecture will come to market in 2017, Johan de Nysschen, the head of Infiniti, said in an interview in Detroit on 14th January. Daimler, the owner of the Mercedes-Benz luxury-car brand, said in September that it's looking at expanding co-operation with Nissan and Renault to produce parts for compact vehicles. Mercedes licenses transmissions to Infiniti under a 2012 agreement based on the co-operation framework. "Within the co-operation, we are open for new projects as long as all partners benefit from them," Thomas Froehlich, a spokesman at Daimler, said. "We are constantly in talks with each other about many topics. Projects will be communicated as soon as they are approved by all partners." Infiniti, which shifted its global headquarters to Hong Kong in 2012, will build its second North American plant in either the U.S. or Mexico to diversify production outside Japan, and will probably decide on the site this quarter, de Nysschen told journalists on

ECG AGENDA

► **ECG Land Transport Working Group meeting on 16th January 2014** in Frankfurt, Germany

► **ECG UK & Ireland Regional Meeting** on **12th February 2014** in Birmingham, UK

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

13th January at the Detroit auto show. Infiniti is expanding its plant in Sunderland, England, to produce the new compact Q30 starting next year. The plant will be the worldwide hub for the car, which will be available with gasoline and diesel engines. The carmaker will also begin making two models at parent Nissan's Xiangyang plant in central China. "China is where our future lies," de Nysschen said. "China will eventually be the world's largest luxury-car market."

Daimler to invest in van plant in Vitoria, Spain

(Source: Automotive Supply Chain, 28th January 2014) In one of the biggest single investments that Daimler has made in a van plant in recent years, the company will spend around €190m on the Mercedes-Benz facility in Vitoria, Spain. The Vitoria facility will use these funds to prepare for the production of the new generation of medium-size vans, which will start in 2014. The investment will primarily cover the modernization and reorganization of the plant's body shop, paint shop, and assembly units. The site's logistics will also be optimised. The Viano and Vito models have been produced at the Vitoria plant since 2003. The Mercedes-Benz Viano is a premium full-size MPV for private customers, and the Mercedes-Benz Vito is a van designed to meet the needs of commercial customers from the skilled trades, services, and professional passenger transport sectors. Rainer Ruess, Head of Production at Mercedes-Benz Vans, commented as follows on Daimler's investment decision: "The Mercedes-Benz plant in Vitoria is the only automobile manufacturer in the Basque region, and its 3,100 employees make it one of the biggest industrial companies in the region. We are totally committed to this location, and we are now working hard to prepare ourselves for the production of the next generation of medium-duty vans." The Vitoria plant, which is located in the heart of the Basque region in north-western Spain, was built in the early 1950s. The plant produces about 75,000 vans annually in a production space of 370,000m² on a plant site covering 600,000m².

Ford will reassess UK operations if Britain leaves EU, report says

(Source: Automotive News Europe, 15th January 2014) Ford Motor, the top-selling automaker in the UK, has become the latest carmaker to say it would be forced to reconsider its UK operations if the country voted in favour of leaving the European Union (EU). Steve Odell, the Head of Ford's operations in Europe, said the carmaker would have to re-evaluate its operations if Britain pulled out of the EU in a proposed referendum. "Clearly we wouldn't be alone in doing that. Would it mean tariffs? Would it mean duties? We'd take a look at what it meant," Odell told the *Daily Telegraph* newspaper. "I would strongly advise against leaving the EU for business purposes, and for employment purposes in the UK," the paper's report said. Ford's warning follows a similar message last year from Nissan, which also has substantial operations in the UK employing thousands of people. Ford closed its British van factory in Southampton, southern England, in July and shuttered an associated stamping facility in Dagenham, east London, ending vehicle manufacturing in Britain. But the firm still employs nearly 15,000 people in Britain, who mainly build and develop engines, and supports a further 100,000 jobs through its network of suppliers and dealers. Prime Minister David Cameron promised voters he would renegotiate the terms of Britain's EU membership before holding an in-out referendum by 2017 if his ruling Conservatives were returned to power after elections due in May 2015. The centre-right party is trailing in the polls and faces a rising threat from the small UK Independence Party (UKIP), which wants to leave the EU. Odell said he strongly discouraged the UK from leaving the EU but accepted if the public were asked today, most would support an exit as there was such a strong focus on the red tape that came with EU membership rather than the benefits. "If they voted today, the common vote - unfortunately - would be to leave Europe," said UK-born Odell. Ford's comments come after UK car sales in 2013 recorded their best year since 2007, with registrations rising 11% on 2012 to 2.26m vehicles, while sales in the rest of Europe have fallen in recent years.

Events in Brussels

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

ACEA Annual Reception in the Autoworld Cinquantenaire Park in Brussels on 28th January
ECG will attend.

European Railway Award 2014 on 28th 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 11th February, European Parliament

EUROPE

EU to support inland waterway improvements in Northern Italy

(Source: INEA, 14th January 2014) The European Union is set to support with €4m from the TEN-T Programme adjustment works on the Ferrarese waterway, in order to improve the economic efficiency and competitiveness of inland navigation in the region. The project, selected for funding under the 2012 TEN-T Annual Programme, aims, within the framework of the Mediterranean corridor, to enhance the fairway conditions and capacity of the Ferrarese Waterway to class Va (a waterway capable of accommodating vessels of between 1,500 and 3,000 tonnes and up to 110 metres in length), which links the Po river to the Adriatic Sea at Porto Garibaldi. Porto Garibaldi is a strategic hub for the exchanges between the East Mediterranean and the Black Sea. Specifically, the funding will contribute to works to adjust the existing section of the Pontelagoscuro basin along the Boicelli up to Po di Volano and strengthening the link with the Port of Ravenna through the connection to the sea in Porto Garibaldi.

Belarus to adopt utilisation fee on foreign imports

(Source: Automotive Logistics, 14th January 2014) A draft decree on the introduction of a utilisation, or recycling, tax on foreign imported vehicles, based on the one introduced by Russia and Ukraine last year, has been published by the government of Belarus, part of the Customs Union formed by Russia, Kazakhstan and Belarus. Representatives of Belarus' trade association said that the document is likely to be signed in the next couple of weeks. Russia introduced a system last year, which dictates that each finished vehicle imported to the country will be subject to a fee covered by the carmaker or importer designed to cover the cost of eventual recycling. Carmakers will not have to pay the tax if they set up their own drop-off points and undertake to dispose of the car according to the required standards at the end of its lifecycle. According to some commentators, this set up makes it difficult for a foreign carmaker without a base in Russia to handle its own disposal, meaning they have to pay an up-front fee equivalent to 5% of the sale price of the vehicle to cover the cost of recycling. The fee proposed for Belarus will differ from the Russian fees in that the final amount that an importer will have to pay will depend on factors including the age of the car and its engine size. In addition, one of the provisos is that the fee should be paid in Russian rubles (RUR) with the base rate for passenger vehicles set at RUR 20,000 ($603), and light commercial vehicles and trucks set at RUR 150,000 ($4,522). "The Belarusian Automotive Association (BAA) does not understand why, within our own country, we must pay recycling fees based not only on the Russian methodology, but also in Russian rubles. It is obvious that it would be appropriate to put the base rate in Euros, just as the rate of customs duty is applied," said the chairman of the BAA, Sergei Mihnevich. Representatives of the association say that the utilisation fee will probably result in a 50% drop in the volume of sales of all imported cars in the country. Compounding the issue is the fact that the decree outlined by Belarus significantly differs from the Russian set up because it will be retroactive, and will apply to vehicles that have been imported to the country before 2014. "If the car is not sold, the state will still make importers pay the utilisation fee even if the car was imported before 2014," said Sergey Varivoda, deputy chairman of the Belarusian Scientific and Industrial Association (BSIA). He added that, as a result, from the first day of the new decree's enforcement, the price of all imported cars in the country will significantly rise". BAA and BSIA have repeatedly appealed to the leadership of the country to clarify and change the situation. The two organisations, together with car dealers in Belarus, have asked the government to delay the decree by at least three months. At the same time the government in Belarus has released a document that outlines the categories of vehicles that will not be subject of the fee. Exceptions will be made for intact vehicles older than 30

ECG Office

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

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

Oleh Shchuryk
Research & Projects Manager
T: +32 2 706 8279
oleh.shchuryk@ecgassociation.eu

Cliona Cunningham
External Relations Manager
T : +32 2 706 8280
info@ecgassociation.eu

Szilvi Kiss
Communications Officer
T: +32 2 706 8284
assistant@ecgassociation.eu

years with original bodies and engines, as well as for localised automotive producers MAZ, Geely and Zotye.

Shipping, transport and trade will benefit from EU debt recovery proposal

(Source: LloydsLoadingList, 14th January 2014) Rotterdam-based law firm AKD says shipping and international trade and logistics operators should welcome a recent decision by European Justice Ministers which will improve their chances of successfully recovering money owed to them by trading partners in EU countries by effectively opening the door to the Europe-wide freezing of bank accounts. At the end of December 2013, European Justice Ministers reached agreement on the European Account Preservation Order (EAPO), which will facilitate the recovery of cross-border debt claims throughout the EU. This is part of an ongoing programme to harmonise procedural rules throughout Europe. Sebastiaan Moolenaar, a partner with the transport & trade team at AKD, said: “Creditors seeking to recover debts in EU Member States face serious difficulties, particularly in the current difficult - albeit generally improving - economic climate. It has been estimated that European companies lose roughly 2.6% of their yearly turnover to bad debts. Moreover, about a million SMEs (Small and Medium-sized Enterprises) encounter problems with cross-border debts, reportedly writing off up to €600m a year because they are scared off by the time, effort and cost involved in taking even provisional steps to preserve the assets of debtors located abroad. “Easy and quick access to asset preservation measures is essential in order to ensure that debtors do not remove or dissipate their assets before creditors have obtained judgment. But the prospects for issuing - and the conditions governing - asset preservation orders vary considerably under the national laws of different EU countries. Among other things, it is sometimes impossible in many EU countries for creditors to obtain information about the whereabouts of their debtors’ bank accounts, and the cost of obtaining and enforcing a cross-border account preservation order is often prohibitive. “The EAPO proposal should be welcomed by all parties to the transportation chain operating throughout Europe. It allows money to stay where it is until a court has taken a decision on the repayment of funds. It will introduce uniformity to the account preservation orders which creditors can obtain, irrespective of the country in which the competent court issuing the order is located. Creditors will be allowed access to information concerning the whereabouts of debtors’ bank accounts, and costs and delays involved in obtaining and enforcing account preservation orders will be reduced.” The EAPO proposal will not replace or change existing national systems for arresting debtors’ assets. Rather, it will constitute an alternative European procedure for creditors, and is essentially protective in nature. It will become law following adoption by the European Parliament and by EU member states. A final agreement is expected soon.

REST OF THE WORLD

Daimler's Zetsche says building new US factory 'an option'

(Source: Automotive News Europe, 13th January 2014) Daimler CEO Dieter Zetsche said the automaker may build another factory in North America as a way to ramp up global production capacity for its Mercedes-Benz cars. “We are starting work on our next generation of compact cars, and as part of that discussion there is a discussion about additional plant capacity,” Zetsche said on the side-lines of a Mercedes evening event at the Detroit Auto Show. “An additional plant in North America is one scenario,” Zetsche said, however no decisions about such a move had been taken. On 23rd December, the *Wall Street Journal* reported that Daimler would make a decision on a second US factory this year and cited Mercedes’ production chief, Andreas Renschler, as saying the company needed to consider whether it needs new production capacity to boost

output of its next-generation compact range. Zetsche said the capacity constraints were a “luxury problem” as they were a symptom of strong car sales. “There is a shortage in every market,” he said, adding that demand for vehicles such as the new S class was brisk. Mercedes produces about two thirds of its cars in Germany but 80% of its sales come from outside the country. Further expanding production capacity for compact cars at its factory in Alabama, where the automaker currently builds SUVs and will shortly start building the new C class, was not a likely scenario, Zetsche added.

Golf production in Mexico marks another milestone for Volkswagen Group in North America

(Source: Automotive Supply Chain, 15th January 2014) Production of the new Volkswagen Golf commenced on 14th January at the Volkswagen plant in Puebla, Mexico. The facility is to build further models from the Golf family for the North America region going forward. Dr. Ildefonso Guajardo, Mexican Secretary of Economy, Rafael Moreno-Valle, Governor of the State of Puebla, and Prof. Dr. Martin Winterkorn, Chairman of the Board of Management of Volkswagen, inaugurated Golf production on the occasion of the ceremony marking the 50th anniversary of Volkswagen de México. 700 guests from politics and industry attended the celebrations. Prof Dr. Martin Winterkorn said that “the start of Golf 7 production will give Volkswagen a big boost in the North America region. And it underscores our commitment to Mexico as an automotive location. That is further confirmed by the $7bn our Group will be investing in North America in the period to 2018.” The intelligent lightweight construction of the Golf, the “World Car of the Year 2013”, is based on the technological innovations of the Modular Transverse Toolkit (MQB), and the vehicle will be exported from Mexico to the USA and Canada. The new Volkswagen Golf will hit North American roads from mid-year as it continues its global success story. Volkswagen has invested some $700m in new production plant and modern infrastructure for the Golf in Puebla. Golf production at the Puebla plant has a design capacity of 700 vehicles per working day. CEO of Volkswagen de México, Andreas Hinrichs, underscored the major significance of the Puebla location for Volkswagen: “Our Puebla factory is today one of the Group’s highest exporters and one of its largest plants worldwide. Over 10m vehicles have already been shipped from here to customers all over the world.” In addition to the new Golf, the Puebla plant also builds the coupe and cabriolet versions of the Volkswagen Beetle plus the Volkswagen Jetta. In terms of technology, these models also belong to the Golf class and are to be adapted to the structure of the Modular Transverse Toolkit (MQB) in the medium term. Furthermore, Volkswagen began manufacturing modern TSI engines at the Silao engine plant in early 2013. The Audi facility in San José Chiapa will strengthen the Volkswagen Group’s production network in North America from 2016. The vehicles manufactured in Puebla and the engines produced in Silao are built in accordance with the state-of-the art environmental standards of the Volkswagen brand’s “Think Blue” factory programme. This programme aims to optimise resource efficiency at all Volkswagen plants and to continually improve the environmental compatibility of the production process.

Auto sector hit hard by US winter storms

(Source: Automotive Logistics, 15th January 2014) The record adverse winter conditions that hit the US and Canada at the beginning of this month, travelling from the Midwest through the north central states to the East Coast, have taken their toll on manufacturing facilities and automotive shipments during the last couple of weeks. Staff shortages and the impact on inbound shipments were among the causes. Chrysler said that its Toledo plant in Ohio and all four Kokomo facilities in Indiana were closed due to a state-of-emergency notice being issued by local and state authorities. The carmaker’s Belvidere facility in Illinois also cancelled one shift. “Most of our facilities experienced slowed production because of low attendance,” a spokesperson told *Automotive Logistics*. “Belvidere cancelled the shift because of weather-related supplier issues. Virtually all US facilities experienced slower than usual production.” The weather had a less severe impact on aftermarket parts deliveries, according to the company. “There were a couple of days where we went behind, but we made it up without great effect,” said the spokesperson. “It wasn't so disrupting also because there we had less customers in dealerships. It took us one to two days to significantly mitigate the impact. Material flow has been recovered.” Chrysler would not specify how it had been working with its logistics providers to maintain both inbound and aftermarket deliveries, only to say that it had used a variety of solutions where needed to ensure the continuity of supply. However, those logistics providers have been busy. Air Charter Service (ACS) said it has received a number of urgent requests for the movement of parts as a result of the unprecedented weather hitting North America. “We’ve been very busy this past week sourcing aircraft to keep our clients’ supply chains moving,” said Richard Thompson, executive vice president of ACS North America. “Michigan and Indiana have been hit particularly hard and our customers are telling us that their trucking operations are simply unable to complete their runs. When these kinds of delays hit, ‘go-now’ aircraft charters are often the only way to keep factories operational”. “A lot of their suppliers are obviously based in the worst hit areas and this has had an impact on the entire industry,” said Thompson. “We’ve chartered aircraft for other industries

because of the weather but none appear to be hit as hard, logistically speaking, as our automotive clients," he added. Over at emergency logistics provider Evolution Time Critical, managing director Brad Brennan said that preparation based on lessons learned in previous years had stood the company in good stead to meet customer needs. "It's the routes traditionally used by emergency deliveries – fast road and air – that are most affected by poor weather, making it more difficult to solve very time critical issues," continued Brennan. "One of the lessons learned by the big vehicle manufactures and tier ones is that in severe weather, the best solution is to not have a really urgent problem."

Maruti Suzuki to introduce dedicated rail wagons in India

(Source: Automotive Logistics, 15th January 2014) Maruti Suzuki has announced that it will implement India's first specially designed wagons for vehicle rail logistics operations. The move will allow up to 310 vehicles to be transported per rail rake, compared with about 125 vehicles for the current rakes used in India – or up to only 10 per truck. Maruti, India's largest carmaker and second biggest exporter after Hyundai, was last year one of two companies, along with APL Vascor's joint venture, to obtain permission from the Indian Rail Ministry to invest in new equipment following a policy change allowing private investment and development in automotive rail. Services are expected to begin this month, and Maruti intends to transport 30% of its total vehicle output through these railway wagons over the next five years, which would be a large increase on the industry average of 2-5% currently. The carmaker currently ships vehicles by rail in containers from its factories for export from the port of Mundra, in the western state of Gujurat. At the *Automotive Logistics* conference in India last month, many delegates called for increases in rail usage in India. Similar to the US, carmakers in India must cover great distances with few stopping opportunities to ensure parts and finished vehicles arrive on time, although prevalence of rail for vehicles in North America is more than 30 times greater than India. Speakers in India pointed to rising fuel costs, a driver shortage and poor road conditions among the reasons India would benefit from an increase in rail. MM Singh, chief operating officer for production, expressed the need to act now to transport vehicles more efficiently. He told *Business Line*: "The concern for us is, because of the congestions on the roads, there will be a time when plying of the heavy vehicles (to transport cars) will be difficult." His fears reflect those of many Indian OEMs struggling to move cars around to their destinations and customers on time. The Indian government has made moves to respond to this need, with the revision last year of the automobile freight train operator (AFTO) policy of the Indian Railways, under which firms can invest in specifically designed wagons to offer transport services. Along with Maruti, APL-Vascor has also developed a prototype wagon with moveable decks. The eventual use of such wagons, together with an interconnected country-wide railway system, is expected to reduce waiting and delivery times, and will also make deliveries easier to track across the supply chain. With congestion ever-growing on India's busy highways, trucking is becoming more and more unreliable. Bulk transport is expected to significantly make up for time lost on the road. Maruti currently operates in two stockyards, in Bangalore and Nagpur, but intends to develop more in the north-eastern city of Siliguri and another in West Bengal, to service the eastern markets.

PRESS RELEASES

Megatrucks versus rail freight?

(Source: CER – the Community of European Railway and Infrastructure Companies, 8th January 2014) The rail sector has long had concerns about the greater use of megatrucks (alternatively known as 'monster-trucks', 'gigaliners', or even 'ecocombis' by their supporters) and wants to outline, with this brochure, why attempts to further liberalise their use should be opposed. In particular, the rail sector believes that allowing any wider use of megatrucks will inevitably lead to a 'domino effect' and, in time, to their general use across Europe. This would, in addition, be contrary to the Commission's own agenda for modal shift from road to rail transport, most recently set out in the 2011 Transport White Paper which stated a goal of shifting 30% of road freight to rail and inland waterways by 2030, as part of the long-term move to significantly reduce greenhouse gas emissions from transport.

In June 2012, European Commissioner for Transport Siim Kallas announced he was reinterpreting Directive 96/53/EC on the weights and dimensions of vehicles to permit the cross-border use of megatrucks between two member states that approve their use within their own borders. This announcement, which reversed the position the Commission had taken on this issue since the Directive was first approved, was made despite the strong opposition of MEPs on the European Parliament's Transport Committee, and from some Member

States. In April 2013, this interpretation was included in the proposal put forward by the Commission to revise the Directive 96/53/EC, finally allowing MEPs and Member States to properly consider the proposal.

It is important to point out that the debate on cross-border circulation does not just concern 60-tonne trucks. If passed, the Directive could permit the circulation of all trucks above 40 tonnes in weight and 18.75 metres in length if their Member States agreed. It should also be noted that, for the first time, control of international transport will be passed from the European level down to that of Member States. One of the rail sector's primary political concerns is for a level playing-field and fair competition between all modes of transport. Today, such fair competition is distorted by the lack of transparency into the societal costs of each transport mode, such as pollution, noise, congestion or accidents.

It is not the intention of the rail sector to 'blame' the road sector for trying to improve its efficiency. However, any attempts to liberalise current restrictions on use could have major implications that would be contrary to wider EU goals. The rail sector believes that the European Commission, the European Parliament, and member states should not look at this issue in a simplistic and short-term way, but take into account the dynamic effects of megatrucks and their impact on the transport system as a whole.

The study can be downloaded from:
http://www.cer.be/publications/latest-publications/latest-publications/megatrucks-versus-rail-freight/

IRU publishes Safe Load Securing Guidelines to further increase road safety

(Source: IRU, 13th January 2014) The International Road Transport Union (IRU) International Commission on Technical Affairs (CIT) on 13th January published the International Guidelines on Safe Load Securing for Road Transport to promote safe load securing practices to all stakeholders involved in the transport of goods by road and further increase road safety.

While the IRU guidelines are primarily based on a European standard on load restraining on road vehicles (EN 12195-1:2010), they also include other safe practices observed across the road transport industry, such as timber and ***vehicle transport*** as well as others, not covered by the European standard.

According to Mårten Johansson, President of the IRU CIT, "The aim of these guidelines is to enable ALL stakeholders involved in road transport operations anywhere in the world to correctly load and secure goods on vehicles. If all stakeholders implement safe load securing practices from the outset, it will create sustainable improvements in transport operations and road safety standards at national and international level."

Rules on safe cargo securing vary from one country to another, or do not even exist in some countries and regions, making it difficult for road transport operators to know the minimum requirements for international journeys. Moreover, loads that have not been properly secured can fall off, affect a vehicle's balance and sometimes even tip it over.

The IRU is confident that its guidelines, developed in co-operation with partners in the health, safety and training industries, as well as the working environment, will help reduce the number of people injured and transport disruptions resulting from load related incidents in the workplace and on the road, thus preventing unnecessary and avoidable human suffering and economic damages.

Safe Load Securing Guidelines:
http://www.iru.org/cms-filesystem-action/mix-publications/SafeLoadSecuring8th.pdf

Safe Load Securing Checklist:
http://www.iru.org/cms-filesystem-action?file=mix-publications/FIN-A4_Cargo_Sec_Check_ENG.PDF

ECG Note: *The 'safe vehicle transport practices' the IRU mentions in its press release refers to the ECG Quality Operations Manuals (OQM), for which it requested ECG's approval prior to publication. Chapter 7.5 of the IRU document is based on the ECG OQM though does not take into consideration the provisions for vehicle transport in the UK, which are developed in ECG's OQM UK Annex. The OQMs and the UK Annex can be downloaded from the ECG website under 'Publications & Reports' or by following the link below.*
http://www.ecgassociation.eu/publicationsreports/ecgoperationsqualitymanuals.aspx

Smart tachographs: new rules on devices for recording driving and rest times

(Source: European Parliament, 15th January 2014) Specifications for a new generation of digital tachographs informally agreed by the Parliament and Council negotiators in May were endorsed by Parliament on 14th January. "Smart" tachographs will lead to better enforcement of driving and resting times, make fraud more difficult, enhance road safety and reduce controls for businesses.

"The revised rules represent a balance between road safety and working conditions on the one hand and respect for private life and the data of drivers on the other hand. Parliament supported the introduction of the smart tachograph because it would improve enforcement of rules and reduce the administrative burden for transport companies which use tachographs in the medium and long term," said the Rapporteur, Mrs Silvia-Adriana Ticau.

Under the revised rules, smart tachographs will be fitted to new vehicles within three years once the Commission has set out the technical specifications. Fifteen years after that, they will have to be fitted, or retrofitted, to all vehicles used for professional transport.

The "smart" tachographs, will be able to automatically record speed and distance, start and final location. They will also enable downloading and remote checking, via wireless data transmission to control authorities, for easier detection of misuse or manipulation. No fines or sanctions can be imposed solely on the basis of remote- control checks but the new system will help reduce roadside checks for companies and target "black sheep".

Trucks of less than 7.5 tonnes will be exempted if they carry materials, equipment or machinery for the driver's use in the course of his work and used within a radius of 100km of the headquarters of the undertaking, provided that driving the vehicle is not the driver's main activity. Control officers will be better trained and equipped and stricter requirements will apply to workshops responsible for installing tachographs.

TRAN Committee vote on the Fourth Railway Package: a mixed bag for Europe's railways

(Source: CER, 18th December 2013) CER takes note of the outcome of the vote held at the European Parliament Transport and Tourism (TRAN) Committee on 17th December. Some aspects of the vote clearly represent improvements to the European Commission's proposal, while others put in serious danger the efficiency of the railway business in Europe.

The Interoperability Directive, the Safety Directive and the ERA Regulation were voted positively with the adoption of all compromise amendments. CER strongly believes that a positive step was taken towards a new legal framework for interoperability and safety and for shaping the European Railway Agency (ERA) as the railway authority issuing vehicle authorisations and safety certifications.

However, CER hopes that the following phases of the legislative procedure will also be devoted to improve the coherence between the two directives and the regulation, especially removing any repetition of the compatibility assessments that would go to the detriment of railway undertakings. Certain parts of the proposed framework might therefore need further clarification and interpretation in order to achieve an overall consistent legislation.

Regarding the Commission proposal to amend the Recast Directive 2012/34/EU on matters of governance and market opening, CER welcomes the Parliament's vote on market opening for open access services, on Coordination Committees, on national regulatory bodies, and on the future European Regulatory Body.

However, CER is disappointed by the vote results with respect to the new separation requirements. There is strong evidence that no model guarantees market opening per se. CER will therefore continue to plead for more flexible arrangements in the choice of governance models aligned with the powers of regulatory bodies. Similarly, the adopted provisions for a network of infrastructure managers and integrated ticketing are too rigid and therefore we look forward to a further constructive dialogue with all relevant parties to find the right compromise.

CER Executive Director Libor Lochman emphasised: "I do wish to express my appreciation to the MEPs for their work. However I have to state that this vote is a mixed bag for Europe's railways: while a good job has been done on a number of issues, I consider that the proposal of the European Commission on the issue of governance has not been sufficiently amended. Governance models have to respect various conditions across the EU Member States: the right of choice is a precondition for a necessary search for greater economic efficiency and better use of public money for Europe's railway networks. These considerations were sadly mostly absent from the recent discussions."