ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

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CONTENTS

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NEWS FROM BRUSSELS

Record turnout for ECG Eastern Regional Meeting in Sofia

(Source: ECG, 26th September 2014) Upon the kind invitation of Bulgarian ECG member **SPED S**, on Thursday 25th September 35 logistics executives from the Eastern European Region met in the prestigious Kempinski Hotel in Sofia. In addition to well-known ECG member-companies from Poland, Slovenia, Hungary, Georgia and the Czech Republic (including local representatives from large LSP groups from France and Austria), several invited guests joined from Turkey, Romania and host-country Bulgaria which resulted in one of the most well-attended regional meetings yet. Starting with a welcome lunch on the 19th "Panorama" floor, one of the highest points in Sofia, the meeting itself proved very lively and interactive while several important ECG (lobbying) activities were also discussed in detail. The half-day meeting, skilfully chaired for the first time by new ECG Board member in charge of Eastern Regional Meetings Krzysztof Dakowicz, was followed by a guided bus tour around the city and a traditional dinner in a typical Bulgarian restaurant located on the surrounding Vitosha mountain. ECG wishes in particular to thank its sponsor, supplier **VESETRA** (www.vesetra.com), for contributing to the growing success of these regional meetings. The next such meeting is set to take place in the Port of Koper (Slovenia) in April 2015, more information will be made available to ECG members in due time.

EU antitrust chief says more cartel fines on way for suppliers

(Source: Automotive News Europe, 19th September 2014) European Union regulators will continue a crackdown on supplier cartels in the auto sector by penalising several suppliers found guilty of price fixing, Europe's antitrust chief, Joaquin Almunia, said on 19th September. For the past five years, competition watchdogs from the United States, Europe and across Asia have uncovered multiple cartels, handing out record fines in some cases, and calling time on a business model that has served suppliers well. Auto parts makers, in particular those from Japan, have colluded for years to inflate parts prices for automakers, dealers and repair shops in a global market with annual sales of more than 80 million vehicles and now exposed to a worldwide sweep by regulators. European Competition Commissioner Almunia, who has handed down more than €1bn in fines against two car parts cartels in the last year, said he was ready to take more action. "We have already taken two decisions against car parts producers - the wire harnesses case in July 2013 and the bearings case last March - and there are more in the pipeline," he told an International Bar Association conference. In March, he fined German group Schaeffler, Sweden's SKF and Japanese companies NTN, NSK and NFC a total of €953.3m for taking part in a ball bearings cartel. Yazaki, the world's No. 1 maker of the car wire harnessing systems that power up the electronic components linking a vehicle's computers to various functions, Furukawa Electric and German peer Leoni were fined €142m in July last year. Almunia, who will leave office at the end of October, did not name any particular companies but said his successor, former Danish economy minister Margrethe Vestager, would have plenty on her plate. "I will hand over to Ms. Vestager a long list of other investigations in this sector," he said.

Denmark pushing to include transport in ETS

(Source: European Voice, 20th September 2014) EU leaders are expected to endorse new climate and energy targets for 2030 at a summit in Brussels on 23-24th October. The Danish government would like the summit conclusions to support the idea of including new sectors in the EU's emissions trading scheme (ETS), which allows certain sectors to buy tradable allowances for the carbon they emit. In a position paper distributed to some Member States ahead of the summit, the Danish government argues that transport and agriculture, currently not part of the scheme, should be added. Member States should be allowed to do this to keep costs down, Denmark said in the informal position paper. The paper

ECG's campaign on harmonising loaded truck lengths – You can help us!

As the readers of ECG News will know, Directive 96/53/EC on Weights and Dimensions of Heavy Goods Vehicles is currently being reviewed by the European institutions.

Today most trucks are restricted to 18.75m in length when crossing borders between EU Member States, even if for specialised vehicle transporters the limit of allowed loaded length within most EU countries is significantly higher. Therefore, for more than a decade ECG has been campaigning for an EU-wide harmonised loaded length of at least 20.75m.

Finally, in April 2014 the European Parliament (EP) adopted amendments that would allow vehicle transporters to cross all internal borders with up to 20.75m loaded length, which could end the current patchwork of national regulations. It would also mean that new EU legislation could clearly differentiate between loaded and unloaded length (for vehicle transporters only), which is not the case today.

Discussions will continue as of September 2014, since the Council of Transport Ministers still needs to agree to the EP's amendments before any proposed changes can become law.

If you are able to speak for your company and willing to help by supporting the ECG campaign towards your national transport ministry, please contact Tom Antonissen, EU Affairs Adviser at ECG to discuss.

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 a Certificate in Automobile Logistics Management, which is an accredited qualification.

For more information please contact info@ecgassociation.eu

was presented in July to other small Member States with large non-ETS obligations. “The main idea would be to transfer all fossil energy used now in the non-ETS sector, into the ETS,” the paper states. “This would increase the coverage of the ETS and the ETS allowance price signal from 45% of EU emissions to almost 80% from 2020.” But environmental campaigners were critical of the idea. They say that a sector such as transport is not suitable for the ETS because there is no risk of ‘carbon leakage’ – a concept that covers companies moving outside Europe to avoid climate legislation. William Todts, a policy officer at green transport group Transport & Environment (T&E), said that the move is an attempt to ease the financial burden for Denmark and other small countries with larger emission-reduction obligations in non-ETS sectors. He said that moving transport into the ETS is a policy idea pushed by carmakers who believe that tradable allowances will be less costly for the sector than the current strategy of capping average vehicle fleet emissions. Carmakers such as BMW and Daimler have championed the ETS as a solution for transport. “Denmark, probably unintentionally, risks making the dreams of German premium carmakers come true,” Todts said. “If the Danish government is serious about cutting emissions from road transport, they should withdraw the proposal and put the focus back where it really makes a difference: fuel efficiency standards for all vehicles.” TNO, a Dutch consultancy, conducted a study earlier this year on the potential effects of putting cars in the scheme, which would put the automotive sector on an equal footing with some of Europe’s industrial sectors. It concluded that including transport in the ETS would be effective in reducing emissions only if there was “a CO_2 price of at least €100 per tonne”. The price of carbon is currently trading at around €6 a tonne, and the ETS was constructed on an assumption of about €30 a tonne – that threshold would be passed only if the ETS had changed dramatically. The study also concluded that although a cap-and-trade system would theoretically be the most cost-effective way to reduce transport emissions over the lifetime of a vehicle, in practice consumers do not calculate costs over the lifetime of a vehicle, but instead focus on short-term cost. “Consumers can’t respond quickly to price changes [to a market mechanism],” the report concludes. T&E says that including transport in the ETS could never reduce emissions from transport because the ETS is unable to give the right price signal. It says that it would also exacerbate the structural problems in the ETS. With the Commission suggesting scrapping transport emissions sub-targets after 2020, stakeholders on all sides say new solutions are needed for the transport sector. According to Council sources, no other governments have yet signed up to Denmark’s ETS idea but some have expressed interest, including Slovenia, Sweden and the Netherlands.

The Danish position paper can be read here:
http://www.endseurope.com/docs/140903a.pdf
To download the T&E report, please follow the link below:
http://www.transportenvironment.org/publications/three-reasons-why-road-transport-ets-bad-idea

AUTOMOTIVE INDUSTRY

Ford to slowdown Fiesta production

(Source: Automotive Purchasing, 19th September 2014) Ford made an announcement that it intends to slow down the production of the Fiesta hatchback at its main European plant in Cologne, Germany citing “lower demands” at some of the key European markets as the main reason for the decision. The announcement came as a surprise since the Fiesta hatchback is one of the company’s best-selling cars in Europe. UK and Germany are Ford’s two main markets. While the demand in the UK remains robust, there has been a softening of demand from their southern European markets. The assembly of the cars will

be halted for a period of seven days between now and the end of 2014 at the US carmaker's Cologne plant. John Gardiner, Head of Operations at Cologne, said, "The Fiesta is one of our best-selling cars in Europe. While there is significant demand in the first half of the year, there is a softening of overall recovery in the second half. We are adapting our production to these demands." While the cutbacks seem to be only for this year, Ford hasn't made predictions for the coming year. In the month of August, car sales across Europe went up by 1.8%. However, there has been a slump in demand in Germany, France and Italy, which are three of Europe's biggest markets.

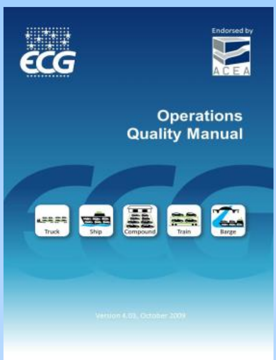
Fiat will suspend Panda production at Italy plant as demand falls

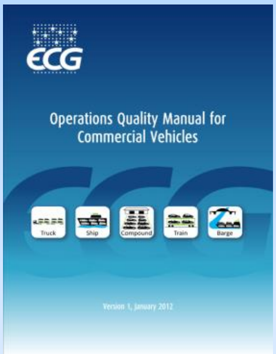
(Source: Automotive News Europe, 19th September 2014) Fiat temporarily suspended production at its Pomigliano plant in southern Italy from 16-27th October amid weak demand. The Fiat Panda minicar is built at the factory. The measure is "necessary because of the slowdown in the market in view of the end of the year," said Giuseppe Terracciano, Secretary-General for the Fim-Cisl union in Naples. Fiat confirmed the temporary suspension, but declined to give any further comment. Fiat often uses the state-backed temporary lay-off schemes to avoid over-production by keeping workers at home when market demand is lower. Some 1,950 of the plant's 4,500 workers have already been on so-called solidarity contracts since March, under which they agree to work less and are also paid less in exchange for retaining their jobs. Fiat's Italian plants have been under-utilised for years, especially after the auto market in Europe was hit by a six-year slump in sales and is only gradually recovering. However, Fiat has promised it would reinstate all workers currently on the various lay-off schemes as it executes an ambitious five-year investment plan, under which it expects to boost global group sales by 60% to 7 million cars and increase net profit fivefold by 2018.

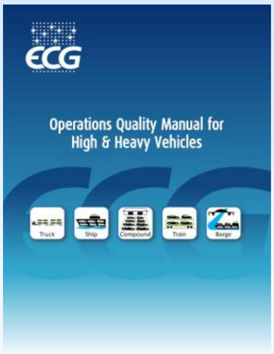
Saab to lay off 200 auto-making staff in Sweden

(Source: Automotive Purchasing, 24th September 2014) National Electric Vehicle Sweden (NEVS), the bankrupt Chinese-backed company trying to revive Saab, in an effort to resolve serious financial difficulties by attracting new investors, announced on 24th September that it would be cutting 200 jobs. This means more than one third of its workforce. NEVS said in a statement the decision was "due to lack of work". Production at the historic industrial site of Trollhaettan, south-western Sweden, halted in late May, when NEVS was unable to pay its suppliers. "The terminations will take place in September in order to rapidly reduce the company's costs during the reorganisation period," NEVS said, adding that if negotiations with new investors succeeded, it would be able to resume production with the remaining 350 employees. However, NEVS did not specify the status of the negotiations and added that "a start-up of production will take time". Nonetheless, according to Swedish media reports, the powerful IF Metall metalworkers union was pessimistic. As the union's head, Anders Ferbe, said in a statement: "Faithful and competent auto workers are being laid off again, and the faith in the future that many felt in Trollhaettan runs the risk of turning to resignation." NEVS, 78% owned by China's National Modern Energy Holdings and 22% by the Chinese city of Qingdao, is in negotiation with automakers Mahindra (India) and Dongfeng (China). Production was halted there in May, but NEVS had kept on the employees pending the outcome of talks with foreign carmakers. Talks were still "ongoing" but no agreements have been reached, NEVS said, adding that it would "take time" to restart production. A court-appointed administrator is set to present the reorganisation plan at a creditors' meeting on 8th October. While undergoing reorganization, NEVS has been able to postpone demands to pay suppliers or creditors. The company has estimated the debts to various suppliers to be 400m kronor ($57m).

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







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

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Fiat, VW must face lawsuit over fuel economy figures, Italian consumer group says

(Source: Automotive News Europe & BEUC, 23rd September 2014) Altroconsumo, an Italian consumer group, is inviting car buyers to join a class action lawsuit against Fiat and Volkswagen over allegations that the companies exaggerated the fuel-saving credentials of their vehicles. After conducting tests on Fiat's Panda 1.2 and Volkswagen's Golf 1.6 TDI models, Altroconsumo said on 23rd September that the two models were between 18 and 50% less fuel efficient than stated by the manufacturers in their marketing and sales material. The consumer group is asking Fiat to pay a compensation of €247 to each buyer of the Panda model and €509 to owners of the Golf model tested, based on what it estimates to be additional fuel costs for an average annual distance driven of 15,000 km. "Consumers buying supposedly efficient cars are misled too often," Monique Goyens, Director-General of the European Consumer Organization (BEUC), of which Altroconsumo is a member, said in a statement. "The deplorable side-effect of this practice is that drivers might disregard fuel consumption information altogether." Altroconsumo alleged that Fiat and Volkswagen were using loopholes such as over-inflating tires or reducing the vehicle weight, giving significantly lower consumption figures than realised in real-life driving situations. Officials at Fiat and Volkswagen both said they were unable to comment immediately. Altroconsumo said the class action will go ahead regardless of how many people join and expects to deposit the papers with an Italian court within weeks. EU regulators are already preparing draft legislation that will require a vehicle's fuel consumption performance to be tested on roads rather than in laboratories. The new testing protocol, the Worldwide Harmonised Light vehicles Test Procedure (WLTP), has been adopted by the United Nations Economic Commission for Europe (UNECE) in March 2014. BEUC wants this test to apply to car approvals by 2017.

Auto market to drive transport and logistics demand

(Source: Lloyd's Loading List, 22nd September 2014) The automotive sector will be a major driver of logistics demand expansion in the years ahead, but for many service providers prospering in the fastest-growing markets will be difficult, according to a new report from Transport Intelligence (Ti). Using complex methodology which extracts the logistics spend from the cost of production across the inbound, finished vehicle and component supplier shares of supply chains, 'Global Automotive Logistics 2014' forecasts that the logistics spend by the automotive sector in Europe will increase by 6% this year to £53bn, up from £50bn in 2013. In North America the total logistics spend in production and finished car distribution will rise 5% from €41.75bn last year to €43.84bn in 2014, while Transport Intelligence predicts the logistics market in China will expand some 7% to €119bn this year. "China's production and demand may be growing but a lack of openness makes it a very difficult logistics market," said Thomas Cullen, report author and senior Ti analyst. Looking further ahead, Cullen predicted rapid growth in emerging markets such as China and Indonesia. But he also warned logistics companies looking to expand into these territories would face significant barriers to entry. "Expansion in many emerging markets can be difficult, with knowledge of local conditions essential," he said. "Managing this issue will be key for major logistics service provider's competitiveness in the future." But despite the difficulty of accessing the fastest growing markets, he said there was still huge upside potential for automotive logistics providers as many parts of the world reached a level of prosperity that typically prompted a rapid increase in car ownership. "The potential for growth appears to be enormous but logistics service providers will need to adapt to the new types of markets if they are to benefit from this growth," said Cullen. He claimed many auto majors were now struggling to expand without further complicating their global supply chains. "Big car companies are now faced with a trend towards networked supply chains, often crossing continents and making life much more expensive and complicated

ECG AGENDA

►**ECG Maritime & Ports Meeting,** in Le Havre, France **on 29-30th September**

►**ECG Land Transport Meeting, in October (TBC)**

►**ECG Board Meeting, on 16th October,** in Amsterdam, the Netherlands

►**ECG Conference** on **16th & 17th October 2014** in Amsterdam, the Netherlands

►**ECG Academy Alumni Meeting on 7th November**, in Munich, Germany

►**ECG UK & Ireland Regional Meeting on 12th November**, in London, UK

►**ECG Board Meeting, on 20th November,** in Brussels, Belgium

►**ECG Maritime & Ports Meeting, on 20-21st November,** in Zeebrugge, Belgium

►**ECG Board Meeting, on 27th January,** in Munich, Germany

than the 'local for local' production model they have always striven to create," he added.

EUROPE

Tilbury secures Finnlines Ro-Ro service

(Source: Port News, 19th September 2014) London's major port, the Port of Tilbury, has secured a new Ro-Ro service with **Finnlines**, one of the leading shipping operators of Ro-Ro and passenger services in the Baltic Sea and the North Sea, the company said in its press release. The new service, which began operating in August, will be a weekly service calling each Thursday, feeding the Baltic states and Scandinavia with cargo including paper and general cargo. The Finnlines service sees a return to Tilbury who had previously operated a Ro-Ro service at the Port until the end of 2006. Commenting on the new service, Paul Dale, Senior Asset Manager at the Port of Tilbury said: "We are delighted to welcome Finnlines back to Tilbury. As the largest paper handling port in the UK, Finnlines will benefit from Tilbury's expertise and connectivity in the South east. We look forward to working with Finnlines to deliver an excellent service for their customers." Brian Rolfe, Managing Director of Finnlines UK said: "The new weekly connection to/from Tilbury to Helsinki and further to St. Petersburg strengthens our position in the South of England and we have received positive feedback from our customers for adding a Southern port to our schedule."

OOCL to add ECA surcharge next year

(Source: Lloyd's Loading List, 24th September 2014) OOCL has become the latest major line to confirm it will implement a new bunker surcharge in Europe when new low sulphur regulations come into force next year. From the start of next year, IMO rules will reduce the sulphur content of marine gas oil in the Emission Control Area (ECA), which covers the North Atlantic, Baltic Sea, English Channel and North Sea to 0.1%, down from 1% now. "At this time, it is very difficult to predict the exact financial impact of this new regulation due to the unpredictable and fluctuating nature of fuel prices on our operations," said OOCL. "But once the new regulation is in effect, it is our intention to adjust our Bunker Adjustment Factor (BAF) formula to incorporate the new low sulphur marine gas oil (LSMGO 0.1%) fuel costs, using the actual ratio required on the round voyage." OOCL said it would then calculate the resulting impact as a new "BAF inclusive of LS" on a monthly basis, and communicate the overall cost per TEU as its new BAF level for the various Transatlantic Trades. "We will continue to provide customers with the minimum required statutory notice period," added the Hong Kong-based line. The increased cost of operations to and from Europe and around the US coast, which has its own ECA, are prompting a number of lines to introduce new surcharges. Feeder specialist Unifeeder said it would impose a surcharge of €65 per container to recoup the extra cost of switching to low-sulphur fuel from 1st January 2015. Switzerland-based Mediterranean Shipping Co (MSC) will implement a surcharge of up to $165 per TEU on shippers using its North European and North American services as a result of the new bunker rules. And Maersk Line has warned shippers to expect surcharges of $50-150 per FEU on affected services from the start of next year. Ro-Ro operator **DFDS**, meanwhile, claimed the extra cost of bunkers in the North Europe ECA would force it to cut its Le Havre-Portsmouth service at the end of the year and put the viability of a range of other services under pressure. Further surcharges and route closures are expected to be announced as the deadline looms.

Imminent EU sulphur emissions rules bitterly commented by ship operators

(Source: Ship2Shore, 22nd September 2014) Rules applying from 1st January 2015 restrict sulphur content in ships' emission (lowering it from 1% to 0.1%)

Events in Brussels

EARPA holds its 2014 Conference **on 1st October**
http://tinyurl.com/lhqvtsz
ECG will attend

MEP Ismail ERTUG, S&D co-ordinator for the EP's TRAN Committee, the Alliance for European Logistics and EU40 host the event "Towards integrated EU policy agenda for Logistics" on **8th October**
http://tinyurl.com/prk6bgh
ECG will attend

The 4th IRU/EU organizes the Road Transport Conference 'Future of road transport: Innovation & efficiency' on **9th October**
http://www.iru.org/en_4thirueu
ECG will attend

HIT Rail organises the 'Interoperability in Practice' workshop for the railway industry on **9th October**
http://interoperability.hitrail.com/

INEA holds the 2014 CEF Transport Info Days, on **9-10th October**
http://tinyurl.com/kp8m7bd
ECG will attend

Community of European Railway (CER) holds the event "Europe's rail sector to 2020: Sector vision and policy choices" on **15th October**
http://tinyurl.com/p3hwyqz
ECG will attend

CLECAT organizes the '2014 Freight Forwarders Forum, Envisioning the Future of Logistics: Challenges and Solutions Explored' on **6th November**
http://tinyurl.com/nc4bsv5
ECG will attend

within the Sulphur Emission Control Areas (SECAs) defined for the Baltic and North seas, leaving ship-owners with a limited set of future fuel-burning options. Each available choice poses issues for Europe's shortsea shipping. The European Commission has accepted that there might be a concern regarding fuel availability. While the price differential between fuel with sulphur content of 3% and 1% is said to be 5-10%, the Commission expects price increases "of about 70%" when the limit is cut to 0.1%. Drewry maritime adviser company has suggested the restrictions could cost $120 extra per TEU. "However as the amount of fuel used in SECAs is only a few per cent of the total amount, this is likely to be a temporary problem and the situation is not significantly different to previous changes in marine fuel sulphur requirements," argues the Commission in its policy guidance, which is something Samskip Multimodal's COO, Diederick Blom does not agree with at all. The specialist operator which currently operates 9 ships and participates in a number of vessel sharing agreements through the SECAs in question, is concerned with the impact of new regulations. To meet the coming restrictions, owners are faced with three options: they could select Marine Gas Oil (MGO), whose sulphur content is acceptable; they could make a more radical switch to liquefied natural gas (LNG); or they could continue with Heavy Fuel Oil (HFO) and invest in mitigating 'equivalent abatement technology'. Samskip Multimodal, after a detailed study, fears that none of the three fuelling options is effective. "The figures just do not add up when it comes to retrofitting LNG-burning systems. Our home port Rotterdam has done a lot to make LNG as a fuel available for inland barge operations but the fact is that this only makes sense for new-buildings." Exhaust gas scrubbing makers continue to offer the enticing prospect of a market where plentiful HFO can still be burned, if owners invest in the after-burn technology permitted by both IMO and the EU, under the 'equivalence principle'. But Blom remains sceptical on this issue too, pointing out that the IMO has yet to finalise its position on the sulphur content of the 'wash water' that open loop type (seawater) scrubbers dump into the sea after taking it out of the exhaust fumes. Supported in part by public funding in the US, large scale cruise ship operators have avoided the wash water issue by opting for closed loop exhaust gas scrubbers, which work using fresh water with the addition of an alkaline chemical. In essence Blom is not convinced that technology is mature enough to trigger investments. "We are reasonably sure that closed loop scrubbers are not yet developed enough to invest in. We do have this option under consideration, but we expect further improvements in the performance of scrubbers and cost efficiency. European politicians, so enthusiastic about restricting fuel sulphur content, should bring greater clarity to the availability of subsidies to support scrubber installation, given the technical risk owners are expected to bear. At a pan-European level, available subsidies for equivalent abatement technologies were a component of the Marco Polo II Programme, although available funds have not been quantified." This programme also bundles its commitment together with offering to subsidise low sulphur fuels and vessels using shore side electricity. In the meantime some EU Member States have taken more definite action; however short of similar risk-bearing commitments from other European administrations, Blom is not convinced. "Samskip operates 5 owned and 4 chartered-in vessels, all to be affected by the new rules. We understand that installing a scrubber could cost €3-3.5m per ship when engine power is taken into account; we could consider this for an owned vessel if the technology satisfied our requirements but could not make such a commitment for a chartered-in ship. What we know already is that resources that are in high demand appreciate in price. While the leading MGO suppliers say they expect to be able to meet demand in terms of quantity, they can't predict the impact on price. Best estimates covering the North Sea and Baltic suggest up to €3bn could be added to the fuel bill if the majority switch to MGO. Someone is going to have to pay for that and the sum is large enough to have an impact in the economies where it applies". Samskip's pan-European multimodal network has been built over a number of years. "Each investment in new services and equipment, each co-operation with rail service providers and each terminal

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commitment has been planned as part of the strategic case for taking freight off Europe's roads and underscoring our superiority in terms of planned logistics. As a multimodal operator we are able to offer our clients a number of alternatives for moving cargo from A to B, but we believe that punishing the cost base of ships – the most environmentally-friendly transport option available – can't have been the intention behind the EU sulphur emissions restrictions," Blom concludes. German shipping line, Rickmers-Linie supports the new low sulphur regime but expects increasing costs. The company also expects that the introduction of stricter sulphur regulations will inevitably lead to an increase in the cost of marine fuels. "Low sulphur fuels are more expensive and growing demand is widely expected to further increase their costs," warns CEO Ulrich Ulrichs. "Rickmers-Linie fully supports the introduction of the new regulations. We are in the process of implementing a Low Sulphur Fuel Surcharge for quotations valid for shipments arriving to or departing from a SECA on or after 1st January 2015". Effectiveness of the new regulations is tied to powerful enforcement to ensure an industry level playing field and to prevent a weakening of the positive effect on the environment. "We encourage players and associations to comply with, and authorities to ensure, enforcement of new regulations".

A green switch for inland waterway transport

(Source: INEA, 23rd September 2014) The Innovation and Networks Executive Agency (INEA) is pleased to announce that thanks to one of its EU-supported actions, another inland waterway vessel with pollution-reducing Liquefied Natural Gas (LNG) engines, the "Sirocco", has just been commissioned. The Sirocco represents one of the milestones of the EU-supported "LNG Masterplan Rhine-Main-Danube" project, which is a series of studies and trials to assess the use of LNG as a shipping fuel in the European inland waterway sector. It is a great technical accomplishment that paves the way for cleaner fuels to be deployed on the entire transport supply chain along the inland waterway networks. The commissioning of the Sirocco is a key step in the realisation of the "LNG Masterplan" project, one of the biggest innovation projects financed through the Trans-European Transport Network (TEN-T) programme, which was selected for funding under the 2012 TEN-T Multi-Annual Call. The project is benefitting from over €40m of EU support and is implemented by a consortium of 33 companies and organisations from the public and private sectors across 12 EU Member States (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, France, Germany, Italy, Luxembourg, The Netherlands, Romania and Slovakia). The "LNG Masterplan" consists of a series of studies and pilot deployments for LNG as fuel for inland vessels, as well as cargo transported on waterways and distributed via inland ports along the Rhine, Main and Danube rivers. The objective is to provide a platform for key public and private stakeholders to promote LNG uptake in the inland waterway sector and build the necessary regulatory framework for the safe transport and use of LNG as vessel fuel. Besides commissioning the Sirocco, the project is also supporting the switch from traditional engines to LNG-fuelled ones capable of substantially decreasing nitrogen oxides (NO_x) and particulate emissions – the main pollutants from inland waterway transport – as well as improving local air quality alongside waterways and ports. This is a win-win situation for business and society and improves the environmental performance of the inland waterway sector as a whole whilst decarbonising the entire transport supply chain. The results of the "LNG Masterplan" project, due by December 2015, are expected to have a significant impact on LNG's introduction on the European inland waterway networks and to promote this means of transport in general.

Paris plans HGV transit tax

(Source: Lloyd's Loading List, 23rd September 2014) The City of Paris is planning to introduce a transit tax on HGVs using the *périphérique* road network that rings the French capital. Effective on 1st January 2015, the tax would be levied at

€0.13/km on vehicles above 3.5 tonnes. The city's council will vote on the tax later this month, which would generate estimated annual revenues of €5m. Four 'tax gantries' spanning roads have already been installed and dry-run testing is due to begin on 1st October before the scheme goes live from January 2015. The tax would also be levied on trucks plying motorways in the Greater Paris region. France was planning to deploy a similar HGV tax scheme nationwide from the beginning of this year but this has been postponed indefinitely following violent protests against its implementation, notably in Brittany.

REST OF THE WORLD

BMW's Baltimore vehicle distribution centre opens

(Source: Automotive Logistics News, 24th September 2014) BMW's latest vehicle distribution centre (VDC) at the port of Baltimore has officially opened. Between now and 2016 the German carmaker's facility, which is being managed by logistics provider **Wallenius Wilhelmsen Logistics** (WWL) under a new contract, will import around 166,000 BMW and Mini vehicles. The facility will provide a full range of on-site services including vehicle inspection, mechanical and paint/body repairs, accessory installation, vehicle programming, and vehicle maintenance. Located at the largest car processing port on the east coast, BMW's new facility will serve 96 dealers within the central and eastern regions of the US. "This is the front line of our customer service effort, especially for our customers in the central part of the US," said Craig Westbrook, aftersales Vice-President of BMW North America. "Our new Baltimore port facility is dedicated to receiving from overseas, rapidly preparing and then quickly delivering new vehicles to our customers and dealers." The opening of the VDC follows the announcement in May this year that BMW had signed a vehicle processing contract with WWL. Mercedes-Benz used to process BMW imports at its terminal in Baltimore, but the OEM terminated the agreement at the end of May 2014, before WWL took over. Kenn Sparks, a spokesperson for BMW North America said that Mercedes-Benz decided to end the contract early. He said Mercedes-Benz "gave us more than six months' notice. Both companies decided to move in a different direction and therefore we agreed to dissolve our joint operation." Talking about the latest development, Ray Fitzgerald, President of WWL Atlantic said: "It's a natural evolution that BMW and WWL, long-time partners in ocean transportation, expand their supply chain co-operation into land-based logistics services. Wallenius Wilhelmsen Logistics values its association with BMW and is confident in its ability to provide high quality vehicle processing and logistics services in support of BMW's long-term growth ambitions in North America."

Tariff cut in Vietnam threatens OEM exodus

(Source: Automotive Logistics News, 24th September 2014) Vietnam is planning to remove the tariff it currently applies to vehicle imports from other countries in the ASEAN region by 2018. The move is designed to make it easier for consumers to buy cars but there are fears that the move could lead to an exodus of companies, including Toyota, which have established production bases in the country; that is unless the government introduces tax breaks. Vietnam currently imposes a 50% tariff on fully built-up imported vehicles. The removal of those tariffs could mean imports from other countries in the ASEAN region undercut locally made vehicles. A Toyota official quoted by *Nikkei Asian Review* said that unless the Vietnamese government introduced tax and other "advantageous measures", withdrawal from the country was possible. Toyota expects to hit output of 40,000 vehicles at its Vietnamese factory this year. However, Kyoichi Tanada, Toyota's Managing Officer in charge of the Mekong region, is quoted as stating that, "with the tariff elimination, there will be no economic rationale to keep our production." Toyota sold 33,000 vehicles in Vietnam last year.

PRESS RELEASES

Fresh restart in Russia for ARS Altmann AG

*(Source: **ARS Altmann**, 22nd September 2014)* Bavarian based leading European finished vehicle logistics service provider ARS Altmann AG has terminated its joint venture company in Russia. Further to the conditions of the agreement, ARS Altmann AG has kept ATC – Autoterminal Chernyakhovsk in its portfolio and the former joint venture partner takes the facility in Moscow region. The separation is officially effective as of 21st August 2014.

“At a certain point in time we had to recognise that the partnership is not beneficial anymore for our company, as it has not supported us to achieve our targets. With this termination we are allowed to have a fresh restart in Russia, to put more focus on building seamless logistics solutions for our existing and potential new clients in the Kaliningrad enclave. This is a major milestone to re-launch our activities in Russia”, mentioned Sándor Gacsó, Director Business Development, ARS Altmann AG.

ATC – Autoterminal Chernyakhovsk is located in the Kaliningrad region. The compound has rail connections with both the European as well as the Russian rail tracks, a comprehensive range of technical services can be provided in the facility of a total of 250,000m^2, including a customs bonded area, which can support logistics concepts both for local as well as transit flows to other regions of the Russian Federation.

ARS Altmann AG – established in 1975, headquartered in Wolnzach, Bavaria, Germany – is one of the biggest finished vehicle logistics service provider companies in Europe, having more than 2,200 railway wagons, including almost 700 fully covered wagons, 20 logistics centres all over Europe and 350 trucks for vehicle transportation. We are glad to offer you our services!

The EU ports reform is losing its bearings

(Source: ECSA, 23rd September 2014) In March, MEP Knut Fleckenstein, the Rapporteur on the European Commission’s proposal for a Regulation on Market access to port services and financial transparency of ports announced that the legislative procedure for this particular file would be suspended until the new European Parliament would be in place following the European election of May. Since then, EU Member States have been discussing the Commission’s proposal for a Port Regulation in the Council of Ministers. The Italian Presidency of the Council aims at striking a deal with the European Parliament at first reading and discussions are moving fast in that direction.

Unfortunately, in order to achieve this, the text currently under consideration by the Council is slowly inching towards the initial position of the Parliament, which was itself a watered down version of the Commission’s proposal. Member States are contemplating excluding cargo handling and passenger services from the Regulation while the exclusion of pilotage remains uncertain. Council deliberations are also focusing on whether the Regulation should only apply to major EU ports (TEN-T core network ports). In light of these developments, the scope of the Regulation could be drastically reduced, turning the EU ports reform into little more than an empty shell.

“It is extremely disheartening to see EU co-legislators gradually empty the already weak Commission proposal of any substance for the port user community. The opportunity for a meaningful reform of EU ports is slipping through our fingers and at this stage the EU shipping industry’s interest in supporting this proposal is indeed very limited,” commented Patrick Verhoeven, ECSA Secretary-General.

In addition to reducing the scope, EU Member States are also contemplating a weaker consultation procedure of port users for all matters related to port charging policy, connections with hinterland, efficiency of the administrative procedures and environmental issues. What is more, Member States are further diluting the Commission’s initial proposal by backtracking on the issue of the need for an independent authority that would monitor and supervise the correct application of the Regulation.

“European shipowners urge Member States to reconsider their approach and refocus on the *raison d’être* of this legislative procedure, i.e. delivering a reform that will improve the efficiency and increase the transparency of EU ports,” he concluded.

Annual CO_2 reduction rate from heavy-duty vehicles could be doubled if all stakeholders join forces

(Source: ACEA, 23rd September 2014) During a press summit of the European Automobile Manufacturers’ Association (ACEA) in Hanover on 23rd September, CEOs of Europe’s truck manufacturers laid out their industry’s recommendations for reducing CO_2 emissions from the road transport sector.

Speaking to journalists during the IAA Commercial Vehicle Motor Show, the CEOs confirmed that they were on track with their ‘Vision 20-20’ to reduce fuel consumption from new vehicles by 20% over the period 2005-2020, or at an annual rate of 1.3%. This was backed-up by a study conducted by the independent research institute, Transport & Mobility Leuven (TML) from Belgium.

However, the industry advocated a far more ambitious future approach to CO_2 reductions. “There is much more than new vehicles alone that determine CO_2 emissions,” explained Wolfgang Bernhard, CEO of Daimler Trucks and Chair of ACEA’s Commercial Vehicle Board. “Trailer designs, alternative fuels, transport operations and infrastructure also play a decisive role. All relevant stakeholders should be mobilised to work on a fully integrated approach to CO_2 reduction in Europe’s transport industry.”

Data from the new TML study quantify for the first time the potential of such an integrated approach for the period 2014-2020 as follows: 6% reduction for vehicle-related measures across the entire fleet; 2.5% reduction through alternative fuels; and 13% reduction through operations. This translates into a more than 20% cut in CO_2 emissions from the road transport sector over the next six years, or an annual reduction rate of 3.5%.

“This means that if we move from a ‘new vehicle only’ approach to a fully integrated approach, we could more than double the annual CO_2 reduction rate from our industry, going from 1.3% to an average of 3.5%,” stated Mr Bernhard. “This is the best way to unlock our full potential to reduce CO_2 emissions on Europe’s streets.”

Speaking alongside Mr Bernhard at the event were Harrie Schippers, President, DAF Trucks; Pierre Lahutte, Brand President, Iveco; Anders Nielsen, CEO, MAN Truck & Bus; Martin Lundstedt, CEO and President, Scania; as well as Erik Jonnaert, Secretary-General of ACEA.

To read the TML study on the emissions of heavy goods vehicles, please follow this link:
http://www.tmleuven.be/project/hgvco2/home.htm

Direct-vision lorries to save hundreds of lives

(Source: Transport & Environment, 23rd September 2014) An 80cm longer cab with a rounded nose, smaller dashboard, expanded glazed areas and a slightly lower driver position could drastically reduce fatal blind spots around the lorry cab, a new study by the Loughborough Design School reveals. The ‘Direct Vision’ lorry concept would increase the driver’s field of view in front and to the sides of the lorry by 50% compared to today’s lorry designs and could save hundreds of cyclists’ and pedestrians’ lives.

According to the European Transport Safety Council (ETSC), lorries are involved in around 4,200 fatal accidents in Europe every year. Many of these fatalities, almost 1,000, are vulnerable road users such as cyclists and pedestrians. In countries with high rates of cycling, lorries are often the single biggest threat to cyclists: In Belgium 43% of cycling fatalities involve lorries, in Holland 38% and in the UK 33%. In some cities, like London, lorries cause more than 50% of cyclist deaths.

Outdated, brick-shaped lorry cabs are part of the reason why lorries have a deadly track record. Today’s cab design forces the driver to sit on top of the engine in such a high position that much of what happens around the cab is invisible to them – the so-called fatal blind spots. Dr. Steve Summerskill, project lead of ‘Direct Vision’ concept for Loughborough Design School, said: “Blind spots can be a significant factor in fatal accidents with lorries. The study shows that the size of these blind spots can be minimised through improved cab design, the reduction of cab height and the addition of extra windows.”

There are two legal roadblocks holding back safer, more fuel-efficient lorries. Firstly, unlike for cars, Europe has no rules guiding what a lorry driver should be able to see with his own eyes (direct vision). Instead European rules focus on indirect vision, i.e. through mirrors, but while these are useful, the multitude of mirrors and their often distorted images are no substitute for decent direct vision. Secondly, the current EU law on weight and dimensions of lorries [*Directive 96/53/EC*] has forced a design that has particularly large blind spots. Europe has proposed changing this law to allow (but not mandate) slightly longer (80-90cm), more aerodynamic lorry designs. New designs would need to comply with additional safety requirements but these still need to be developed.

William Todts, Senior policy Officer of T&E, said: “Not only drivers, but politicians too need vision. It’s incomprehensible that we allow huge 40 Tonnes mammoths on our roads without making sure the people behind the wheel actually see what’s going on. After decades of tinkering with mirrors, we need to take this once-in-a-generation opportunity and make direct vision compulsory for new lorry designs.” Leon Daniels, Managing Director of surface transport at Transport for London (TfL), said: “We are committed to improving road safety for everyone. Through the funding of innovative studies it has been demonstrated to Europe how the vehicle manufacturing industry can continue to improve their safety standards.”

To download the study of the Loughborough Design School and a T&E summary, please follow the below link:
http://www.transportenvironment.org/publications/ending-lorries-deadly-track-record-matter-direct-vision