ECG News

ECG – The Association of European Vehicle Logistics

Issue 14.47, 1st –5th December 2014

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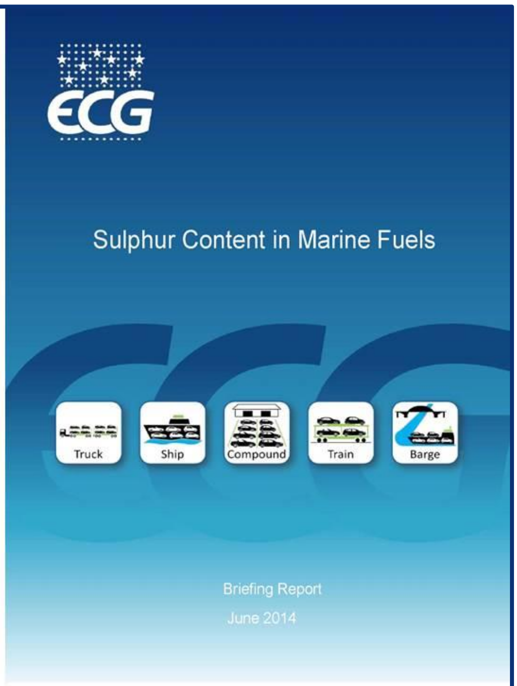
The Sulphur Briefing paper has recently been updated.

Don’t forget to download your copy from the ECG website!

3 weeks to go till the new sulphur requirements enter into force!



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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.

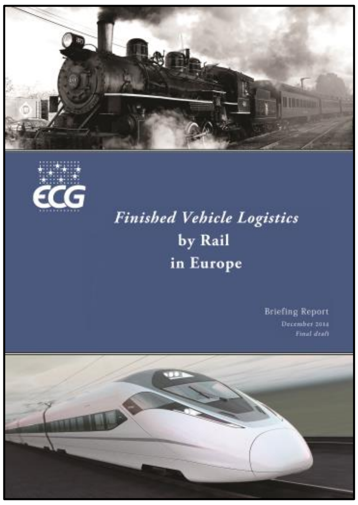
Finally, in April 2014 the European Parliament (EP) adopted amendments that would allow vehicle transporters to cross all internal borders with up to 20.75m loaded length, which could end the current patchwork of national regulations. It would also mean that new EU legislation could clearly differentiate 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.

NEWS FROM BRUSSELS

ECG Land Transport Working Group meeting in Frankfurt



(Source: ECG, 4th December 2014) ECG held a Land Transport Working Group meeting, its final of the year, on 2nd December in Frankfurt, Germany. The meeting, which was well attended by ECG member companies, was once again hosted by **DB Schenker Rail Automotive GmbH**. A variety of rail and road issues were discussed at the whole day event, amongst others Artem Bakhrakh, from Russian member **Autotechnoimport** presented the CarEx project - a new tool for exchange of information between logistics companies carrying cars. This project provides for a common load exchange information platform that unites all market players and allows them to be more efficient, optimised and co-operative. The number of participants in the project is growing quickly in the Russian market and an English translation of the application is being developed for potential widespread use in Western Europe.During the meeting ECG also presented the final draft of the 'Finished Vehicle Logistics by Rail in Europe' document (approximately 180 pages) which is planned to be published in February 2015. The next meeting of the Land Transport Working Group will be held in Bonn **on 10th March 2015**.

Talks on safer lorries break down [*Weights & Dimensions review*]

(Source: European Voice, 2nd December 2014) MEPs and Member State representatives failed to reach an agreement on 1st December during the final round of scheduled negotiations on new designs for lorries in the European Union which would make them safer and more fuel efficient. The European Parliament wants manufacturers to be allowed to use the new designs starting in 2016 if they so choose. They would eventually be required to use the new designs from 2022. However, the Council takes the position that the new designs should not be obligatory until 2025, and that manufacturers should be forbidden from using them until then. The ten-year moratorium was added to the Council position at the behest of France and Sweden. Environmental campaigners have accused the two countries of responding to pressure from Swedish firm Volvo, which owns French manufacturer Renault [*Trucks*]. Volvo has lorries coming up for type-approval and is concerned that it would be at a competitive disadvantage against other manufacturers that start using the new designs after 2015. Volvo maintains that having a period in which manufacturers are using two different design specifications would be disruptive, and that their position is "consistent with the rest of the automotive industry". During the talks, MEPs refused to back down on their insistence that manufacturers should be able to use the designs earlier than required if they so choose. But the representative from Italy, which currently holds the rotating presidency of the EU's Council of Ministers and is representing Member States in the talks, did not have a mandate to accept such an arrangement. The two sides will have one last chance to reach an agreement in an extra negotiation session, which is scheduled for 10th December. If no agreement can be reached, the legislation would go into a second reading, which could delay passage for years. Environmental campaigners are urging the MEPs to stick to their guns. "Parliament was 100% right to send the Council packing," said William Todts of green transport group Transport & Environment (T&E). "This law is about enabling safer and more efficient trucks, not mandating them. The new designs would reduce fuel costs, cut emissions and could save up to 900

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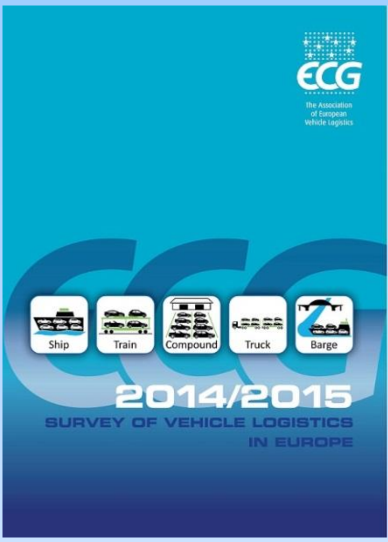

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lives per year. Hauliers, cities, cyclists and truck drivers want better lorries as soon as possible but Volvo-Renault, through the French government, have erected a deadly roadblock." The legislation has already been delayed because of the contentious issue of 'megalorries'. The Commission's proposal contained a provision that would allow trials of these extra-large lorries to cross Member State borders, formalising a legal interpretation that has been in place since 2012. However, both MEPs and Member States have rejected this position, so it is certain to be absent from the final law. MEPs are concerned about the environmental impact of a shift of freight from rail to road, and many Member States are concerned that the change would put pressure on them to start trials of the megalorries, which many Member States think would be unsafe in their particular territory.

ECG Note: *ACEA's press release on the Weights and Dimensions Directive can be found under the 'Press releases' section of this ECG News issue. An article in EurActiv gives more background information, especially on France's and Sweden's position on this legislative dossier:*
http://www.euractiv.com/sections/transport/france-and-sweden-delay-introduction-safer-trucks-310421
ECG is following the current trialogues on the Weights and Dimensions review closely due its own "20.75m harmonized loaded length campaign". ***For more information, see the left side column in this ECG News issue entitled "ECG's campaign on harmonising loaded truck lengths – You can help us!"***

Commission demonstrated the Maritime Information and Exchange System

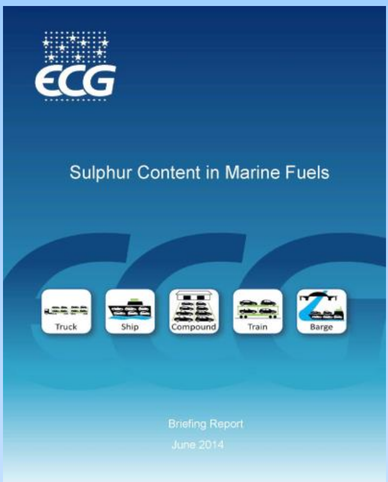
(Source: European Commission, 1st December 2014) The Commission recently revised the Union Maritime Information and Exchange System within the Vessel Traffic Monitoring Directive, to take into account technical enhancements, which enable tailor-made solutions for authorities and EU agencies involved in maritime surveillance, cross-sector and cross-border. Linking it with the National Single Window for reporting, requiring information only once these solutions will contribute to the competitiveness of European maritime transport through a more efficient use of existing resources and digital maritime services. Together with the European Maritime Safety Agency (EMSA) the Commission demonstrated the system and its services to Members of Parliament, members of the European Commission and EU agencies as well as maritime transport representatives from the industry and national authorities on 1st December. The demonstration showed examples of how the Maritime Information and Exchange System supports operational needs both in Member States and for EU Agencies, sparing them the cost and complexity of buying and managing the underlying hardware and software, and hosting separate data integration – efficient use of existing resources.

AUTOMOTIVE INDUSTRY

EU will hint at future new-car CO_2 targets

(Source: Automotive News Europe, 28th November 2014) The European Commission will outline the next steps it will take on setting CO_2 emissions goals after 2021 to automakers and other stakeholders such as consumer groups at a meeting on 9th December. Automakers have already said they need more time to meet the targets. Volkswagen Group CEO Martin Winterkorn warned in October that it would be "fatal" to overburden the auto industry with tougher CO_2 emission targets before a market can develop for electric cars, plug-in hybrids and other fuel-efficient models powered by alternative powertrains. The EU has mandated automakers selling cars in Europe to reduce average CO_2 emissions from passenger vehicles to 95g/km by 2021, down from about 132g/km in 2012, or

Briefing paper on the sulphur content in marine fuels updated



With the Regulation on sulphur content in marine fuels coming into force on 1st January 2015, ECG has updated its Briefing paper to better inform our readers.

The new rules will affect companies that operate routes in the Sulphur Emission Control Areas (SECAs), i.e. the North Sea with the English Channel and the Baltic Sea. In these zones the sulphur content of the fuel can't surpass 0.1% which is a great technical and financial challenge for these operators.

The Briefing paper contains IMO and EU regulatory background and analysis of the latest developments, as well as a glossary of terms.

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http://www.ecgassociation.eu/publicationsreports/ecgpositionandbriefingpapers.aspx

they will face heavy fines. Industry watchers say the next target is even more important because it will be tougher and will further accelerate the push to electrification, which will have a huge impact on the bottom lines of Europe's money-losing mass-market manufacturers and their supplier base. Last year, the European Parliament approved an indicative target of 68g/km to 78g/km by 2025. Industry watchers expect a 75g/km target with automakers given until 2030 instead of 2025 to meet the goal. A 68g/km to 78g/km target would imply that Europe's car fleet would need to be nearly fully hybridised (meaning that most cars would need Prius-like hybrid engines), according to research carried out by the EU in 2012 assessing the impact of the current target. "The next step in complying with the targets will be a really big one because it implies a really significant electrification of powertrains," said Arndt Ellinghorst, automotive analyst at Evercore ISI. "To change a powertrain portfolio, and not just improving a gear box and light materials and start stop - for that the industry just needs more time." BMW executives recently told investors that "based on latest discussions with the EU, there is a chance that the next target for European CO_2 regulation is pushed out to 2030 in order to give the industry a more realistic timeframe to adapt new technologies," according to an investor note from Evercore ISI. The Brussels-based Transport & Environment (T&E) lobby group says new target date should be kept at 2025, not pushed back. "The problem with a delay is we will not get the innovation investment that is needed. The small companies that are developing the technologies now will find their investments will not be interesting to automakers," said Greg Archer, the group's clean vehicles manager. The commission is likely to set a challenging target for 2025 or 2030 because it wants to be in the forefront of action against climate change. But in light of Europe's weak economy and the structural losses suffered by the region's mass market carmakers, the Commission is likely to look closely at the benefits and disadvantages to the industry.

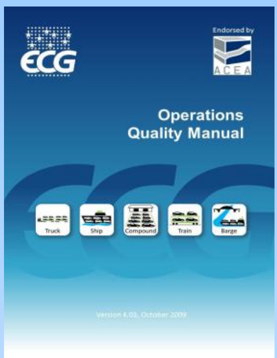
Russia will extend car purchase incentive plan

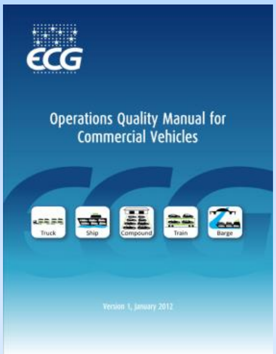
(Source: Automotive News Europe, 3rd December 2014) Russia will earmark 10bn roubles (€150m) in 2015 to extend an incentives plan for new vehicle purchases, Industry and Trade Minister Denis Manturov said, as Moscow tries to help the country's struggling car industry. Western sanctions imposed over the crisis in Ukraine and low oil prices have hit Russia's economy. The falling oil price has also weakened the rouble, driving up inflation and forcing Russians to delay large purchases. "The decision was made to allocate 10bn roubles next year to support demand," Manturov told journalists, adding an extra 2.9bn roubles were also earmarked for the program this year. Manturov said in August the government earmarked 10bn roubles to fund incentives for vehicle purchases this year. Under the existing scheme, buyers of new passenger cars are eligible for a discount of at least 40,000 roubles when scrapping or trading in their old vehicles, while the discount for commercial vehicles starts at 350,000 roubles. Car sales fell 10% in October, after a 20% drop in the previous month, and are down 13% in the first 10 months, according to data published by the Moscow-based Association of European Businesses (AEB) last month. The AEB has said it expects full-year vehicle sales to be down 12% to 2.45 million units.

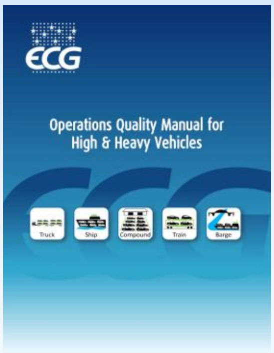
France will rank cars for pollution and seek diesel phase-out

(Source: Automotive News Europe, 1st December 2014) France wants to gradually phase out the use of diesel fuel for passenger cars and will put in place a system to identify the most polluting vehicles, Prime Minister Manuel Valls said. Next year, the government will launch a car identification system that will rank vehicles by the amount of pollution they emit, Valls said. This will make it possible for local authorities to limit city access for the dirtiest cars. "In France, we have long favoured the diesel engine. This was a mistake, and we will progressively undo that, intelligently and pragmatically," Valls said. About 80% of French motorists drive diesel-powered cars. Taxation would have to orient citizens towards more ecological choices, Valls said in a speech on 28th November. The

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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2015 state budget measures would seek to reduce the tax advantage of diesel fuel versus gas. The government has announced it will raise the so-called TICPE excise tax on diesel by 2 euro cents per litre, bringing in €807m to state coffers in 2015. Valls also said the government was working on plans to widen the number of beneficiaries of a subsidy for the conversion of old diesel engines in areas with anti-pollution plans. Energy Minister Ségolène Royal announced earlier this year that drivers scrapping diesel-powered cars to buy an electric one would be entitled to a bonus of up to €10,000.

EUROPE

BLG invests in car deck and rail infrastructure at Bremerhaven

(Source: Automotive Logistics News, 3rd December 2014) **BLG Logistics**, which provides Ro-Ro handling services at the port of Bremerhaven in Germany, is investing €20m in a new multi-storey parking deck at the auto terminal situated at Bremerhaven Nordhafen. The additional terminal is being built as BLG anticipates vehicle handling to increase at the port following a year that saw record volumes handled, estimated at 2.3 million units. The new facility will provide parking capacity for an additional 6,000 vehicles on six levels. This builds on the seven existing multi-storey parking decks that already offer space for 50,000 vehicles. The latest facility is due to be completed by the third quarter of 2015. The company said that, aside from providing protection for vehicles, the parking decks would increase parking capacity close to the water. As a result, driving distances to the large car carriers would be shortened, which would improve the productivity of the terminal. In addition, work on rail infrastructure at the auto terminal is going ahead at the same time. The first stage of a track extension at Bremerhaven Kaiserhafen will be completed in the first quarter of 2015. BLG said this would make it possible to operate more car carrying trains and unload them faster.

ESPO's Port of the Month is HAROPA-Port of Le Havre

(Source: ESPO, 3rd December 2014) ESPO, the European Sea Ports Organisation has awarded **HAROPA** the title of 'Port of the month' for December. ESPO elects each month a port and presents it in form of an interview on its website. Below are some excerpts of the interview with HAROPA Ports, covering the main points: "HAROPA, the 5th largest port complex in Northern Europe and the leading French port with a 35 % market share, is connected to every continent owing to a first-rate international shipping offer (thereby linking with 600 ports worldwide). It serves a vast hinterland whose core is in the Seine valley and the Paris region forming the biggest French consumer market area. With around 10 Normandy and Paris area partner ports, the 'one-stop' hub now forms, in France, a global transport and logistics system capable of providing a comprehensive end-to-end service. The three ports of the Seine axis (Grand Port Maritime du Havre, Grand Port Maritime de Rouen and Ports de Paris) decided in 2012 to extend the scope of their co-operation by creating the EIG HAROPA. They are thus fully complementary and stronger together to face competition from the northern ports. (…) Together, the three ports in the Seine artery have the capacity to handle very diverse traffic and to offer their customers, for any product type, a comprehensive, competitive service in terms of destinations offered, the transit of goods in the port (handling and storage), distribution (multimodal solutions), possibilities for location and various services (covering all the port activities). HAROPA thus provides efficient logistics chains for most sectors, competitive with those developed from the ports of Northern Europe." On the first experiences of the TEN-T multimodal corridor fora HAROPA notes that "As a core port included in the Atlantic and the North-Sea Mediterranean corridors (for Ports of Paris), HAROPA has actively participated in the two last fora of these corridors. On one hand, the new European transport policy based on multimodal corridors is a very interesting approach, dealing with the global performances of the corridor

ECG & other industry events

►**ECG office closed**, **between 25th December and 1st January**

►**ECG Quality Working Group Meeting**, **in January (TBC)**, in Brussels

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

►**ECG Russia Regional Meeting, in February (TBC)**

►**ECG Maritime & Ports Meeting**, **on 11-12th February**, in Barcelona, Spain

►**ECG UK & Ireland Regional Meeting**, **on 18th February**, in Birmingham, UK

►**ECG Land Transport Meeting**, **on 10th March**, in Bonn, Germany

►**Automotive Logistics Conference**, **on 11-12th March**, in Bonn, Germany

►**ECG Dinner Debate**, **on 24th March**, in Brussels, Belgium

►**ECG Board Meeting**, **on 25th March**, in Brussels, Belgium

►**ECG Maritime & Ports Meeting**, **on 22nd April**, in Koper, Slovenia

►**ECG Eastern Regional Meeting**, **on 23rd April**, in Koper, Slovenia

►**ECG Board Meeting and Spring Congress&General Assembly**, **on 28-29th May**, in Cascais, Portugal

►**Automotive Supply Chain Congress**, **on 10-11th June 2015**, in Liverpool, UK

►**Automotive Supply Chain Global Awards**, **on 12th November 2015**, in London, the UK

for each mode of transport, and not only focusing on missing links as it was the case before. Today, every infrastructure manager involved in a corridor knows what the contribution of his infrastructure towards reaching the performance goals of the corridor is. On the other hand, the corridor fora and working groups create opportunities for infrastructure managers to meet each other, and facilitate co-ordination between them." On the environmental-friendly initiatives HAROPA reports that "For many years, HAROPA ports not only work to reduce the environmental impact of their activities but also to improve the overall performance of the ports and other players in the industrial area. For example, since 2009, with the creation of an Environmental Ship Index, the Port of Le Havre (member of the Eco-Port network) contributes to the improvement of air quality by implementing a policy of financial incentives aimed to encourage shipping companies to participate in 'green calls' that reduce air emissions of their ships. In 2013, this initiative was extended to other ports within HAROPA (Rouen for specialised ships and Paris for some river-sea vessels), covering the whole of the Seine axis. So far, hundreds of ship calls have benefited from this environmental incentive policy."

Transfennica ends European service ahead of SECA deadline

(Source: Automotive Logistics News, 3rd December 2014) Transfennica has said it will end its Ro-Ro service between Spain and Holland via the UK at the end of this year because of upcoming legislation governing sulphur emission control areas (SECAs) in the waters around northern Europe. The route, between the ports of Bilbao (Spain), Portsmouth (UK) and Zeebrugge (Belgium) was started in 2007. It has seen a steady rise in volumes since then according to the company, including for automotive products. However, it stated that the upcoming SECA legislation, which goes into effect on 1st January 2015, will increase costs because of the higher price of low sulphur fuel. From January 2015, the sulphur content of bunker fuel in the North and Baltic Seas, as well as the English Channel, will be restricted to 0.1% m/m. Without an abatement system on board the vessels (or some other alternative) the price of the more expensive marine diesel or gas oil is expected to increase considerably. According to Finland's Ministry of Transport and Communications the cost of fuel oil with 0.1% sulphur content is between 73% and 85% more expensive than current heavy fuel oil. As a consequence Transfennica anticipates that up to 50% of the trailer volumes currently using the service would return to the road. The board of directors of Spliethoff Group, which owns Transfennica, have therefore said there is no profitable future for a Ro-Ro service on the route. However, the company said there would be no impact on other Transfennica routes nor on the activities of Transfennica Logistics, which would continue its intermodal activity to and from Spain and Portugal. In addition to the existing service, in May this year Transfennica began a twice-weekly direct call to Portsmouth from Bilbao, with an onward call to Zeebrugge. That service moves truck and containerised freight but is also suited for high and heavy, mafi and project cargo. Transfennica did not reveal how this service was affected. Added to that, Transfennica Logistics said it would increase the use of rail services to and from the Barcelona and Madrid areas by opening a second warehouse and office in Barcelona in January 2015. This latest end of service announcement follows **DFDS**' decision earlier this year to end its service between Harwich in the UK and Esbjerg in Denmark.

Shipping emissions at ports to quadruple by 2050

(Source: Journal of Commerce, 2nd December 2014) Most shipping emissions at ports are set to increase fourfold through 2050, requiring strong abatement measures on shipping in targeted regions in coming decades, according to a new report by the International Transport Forum (ITF/OECD). Carbon dioxide and mono-nitrogen oxide emissions from ships in ports are forecast to rise up to 70 million metric tons and 1.3 million metric tons respectively by 2050, driven by growing demand for certain commodities and goods, the "Shipping Emissions in Ports" report said. Asia and Africa will see the sharpest spikes in emissions, due

Events in Brussels

The EESC holds the 'Transformation is Possible. Roadmaps for the Future of Transport in Europe' event on **8th December**
http://www.eesc.europa.eu/?i=portal.en.events-and-activities-transforum-roadmap

The Commission organizes the High-Level Conference on the financing of the future Trans-Mediterranean Transport Network - TMN-T, on **9-10th December**
http://ec.europa.eu/transport/themes/infrastructure/events/2014-tmn-t_en.htm

The event 'Cutting air pollution from ships - Will ships comply? Will ports enforce the new sulphur directive?' will be hosted in the European Parliament by Swedish MEP Jytte Guteland **on 11th December**
http://www.tridentalliance.org/events/2014/12/11/cutting-air-pollution-from-ships

CER and UNIFE hold the European Railway Award 2015 on **21st January 2015**
http://www.europeanrailwayaward.eu/
ECG will attend.

ECSA organizes the European Shipping Week between **2nd and 6th March 2015** in Brussels
https://www.europeanshippingweek.com/
ECG will attend.

to their projected strong port traffic growth to 2050 and the lack of regional mitigation measures, such as emission control areas, or ECAs, according to the Paris-based organisation. Asian port traffic is projected to reach half of the global total in 2050. However, European and North American ports will show relative declines of emissions because of comparatively slower traffic growth and stricter regulatory measures, such as ECAs, the report said. For example, because of the emission control areas and the 0.1% maximally allowed sulphur content in these areas from 2015, SO_x emissions in European and North European ports are projected to be just 5% of the total SO_x emissions in global ports, although their total port traffic is expected to account for 24% in 2050. In order to reduce these projected emissions worldwide, stricter regulations will be needed, including alternative fuels or power sources, such as liquefied natural gas (LNG); operational measures, like hull and propeller conditions or weather routing; technical measures, such as improved engines; and structural changes, like port efficiency or slow-steaming, according to the report. "Ship emissions in ports follow a highly skewed distribution pattern, with more than a third of the emissions occurring in only 50 ports," said Olaf Merk, ITF's administrator of ports and shipping and author of the report. "This points to the concentration of air pollution in selected environmental hotspots, but also suggests that policy interventions with respect to environmental externalities, such as onshore power supply, would be most effective if focused on these places." Although the report did not find indications of economies or diseconomies of scale with regards to relative emissions, there were geographical differences. Shipping-related emissions in Asian and European ports were large in absolute terms, but small in relative terms, representing 70% of total port calls but only 51-58% of shipping-related emissions. "The explanation for this is their favourable performance in time efficiency in Asia and Europe: shorter port times mean relatively lower emissions," Merk said. In contrast, the ports in North America, Africa and Oceania have relatively high emissions, according to the report. In North America, this is caused by a "much larger" vessel capacity calling at ports, perhaps because of the "relatively underdeveloped" short sea shipping market in the US, and in Africa, it is caused by unfavourable performance in time efficiency: vessels have longer port stays than on other continents, so container ship emissions in port areas are larger. "Considering that most of the largest ports in the world are Asian or European ports, that is closer to the efficiency frontier, the opportunities of reducing global shipping emissions in ports by improving port efficiency remains essential, but might actually have relatively limited impact," Merk said.

To read the report, please follow the link below:
http://www.internationaltransportforum.org/jtrc/DiscussionPapers/jtrcpapers.html

EU to back the UK on green maritime transport

(Source: INEA, 1st December 2014) The EU's TEN-T Programme will support with almost €4m the pilot construction of the UK's first liquefied natural gas (LNG) bunker at Teesport near Middlesbrough and the LNG propulsion system of two new ships. The project will help reduce maritime pollution and support the roll-out of LNG technology in the UK. This project is a real breakthrough in the use of LNG for short sea shipping as it will develop a dedicated LNG supply and demand chain in the UK. It will also demonstrate the viability of LNG as an environmentally sound alternative to present marine fuels, as well as its high potential for short sea shipping in the UK and the North Sea. The project will deploy a LNG bunkering facility in the Port of Teesport and test an innovative LNG fuel system on two ethylene carriers in the sea. The project will also encourage the use of LNG for marine and road transport in the UK by performing technical and market studies in other ports with the aim to roll-out LNG technology countrywide. The project was selected for funding with the assistance of external experts under the TEN-T Annual Call 2013, priority 'Decarbonisation / oil substitution or environmental cost reduction'. Its implementation will be

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monitored by INEA, the European Commission's Innovation and Networks Executive Agency. The project is to be completed by December 2015.

EU to invest in parking areas for professional drivers in southern Italy

(Source: INEA, 2nd December 2014) The EU's TEN-T Programme will support with €400,000 the preparatory and design studies for a network of safe and secure parking areas for professional truck drivers in Campania, Calabria and Sicily. The drivers will be able to pre-book the parking and get reliable information online with the help of an integrated information service. The studies will be carried out in two phases. The preparatory study will identify the existing parking areas with the capacity for easy upgrade and potential new sites. The design phase will work on the establishment of an intelligent information service in the parking areas, allowing the drivers to receive reliable details about the location and added services as well as pre-book a parking space. The design study features a data communication system harmonised at European level, which complies with the European Intelligent Transportation Systems (ITS) criteria. It also includes CCTV surveillance systems, perimeter fencing and barriers at entries and exits, as well as fire prevention systems for a better security of the users. The project was selected for EU funding with the assistance of external experts under the TEN-T Annual Call 2013, priority 'Road transport'. Its implementation will be monitored by INEA, the European Commission's Innovation and Networks Executive Agency. The project is to be completed by December 2015.

REST OF THE WORLD

Rhenus sets up independent company in Vietnam

(Source: Transport Intelligence, 2nd December 2014) **Rhenus Logistics** announced that has founded an independent company in Vietnam with its headquarters in Ho Chi Minh City. The company had previously handled projects in Vietnam in conjunction with selected national agents. The new company has been established following the advent of majority holdings based on foreign investments in Vietnam. Rhenus states that as soon as the registration process for Rhenus Logistics Vietnam LLC has been completed, the operating business will be transferred to the new company. Klemens Rethmann, Chief Executive Officer of the Rhenus Group said: "We've significantly expanded our presence in Asia during the last few years – whether it's in Singapore, Thailand or Myanmar. However, we were still missing an independent company in Vietnam within our South East Asian network. The country is an important and stable partner within the ASEAN association and it is opening up to an increasing degree. As a result of establishing this new firm, we'll be able to offer an even more extensive network and continue expanding our services." Rhenus freight forwarding services in Vietnam in the past have involved both traffic between Asia and Europe and the exchange of goods within Asia. Most of the company's customers in Vietnam operate in the textile, electronics and chemical industries or the mechanical engineering sector. Rhenus plans to set up further Vietnamese branches in cities like Hanoi and Da Nang.

European automotive exports rise in key markets

(Source: Automotive Logistics News, 3rd December 2014) Latest figures show that the European Union has increased the export of automotive products indicating the importance of world markets for recovery – at least for the higher end brands – in a sector that has been dogged by sluggish sales within its borders since 2007. However, longer term, those exports could ease again as OEMs localise production in overseas markets and, in terms of finished vehicles, there has been an overall dip in exports in the first half of 2014 because of

declines in certain key markets. The most recent international trade statistics from the World Trade Organisation (WTO) show that the European Union's share in exports of automotive products rose 49% in 2013. EU exports to the rest of the world increased by 6%, above the global average of almost 4%, and were worth $678bn. The annual percentage change was 7% on 2012. This rise comes after a fall in 2012 to below 50%, the first such drop in more than a decade. The top ten world exporters of automotive products did not change position in 2013 according to the WTO statistics. Following the EU at the top were Japan ($152bn), the US ($83.4bn) and Mexico ($74.5bn). The Republic of Korea came in fifth at $60bn followed by Canada, China, Thailand, Turkey and Brazil. However, it was Turkey that showed the highest growth rate according to the WTO figures, with an increase of 13% in 2013 worth $2.1bn, followed by Brazil and Mexico, which both had growth rates of 11%. Japan's export growth rate dropped by 8.5% and Canada's by 3%. For the same period figures from the European Automobile Manufacturer's Association (ACEA) show that the EU exported almost 5.9 million passenger cars compared to just more than 5.7 million in 2012. Combined with commercial vehicle exports the region had total exports of more than 6.6 million units. However, there has been a decline in exports to certain key markets between January and August this year. While exports to the US, China and South Korea were up, there have been notable declines in vehicle exports to Turkey and Russia. For example, exports to the US were up to more than 976,000 in the first eight months of 2014, from around 916,700 over the same period in 2013. By contrast, exports to Russia dropped almost 123,000 from almost 480,000 over that period last year to around 357,750. Overall exports from Europe to the top 15 countries were down 245,500 between January and August this year. That being said, the rise in exports to China and North America has been significant for the European market. "Exports of fully built vehicles have provided a clear positive for the European vehicle manufacturing sector," said Mark Fulthorpe, Director of Global Light Vehicle Production at IHS Automotive. "Indeed without robust exports to China and North America the situation would have been much less appealing, as Western European sales of light vehicles declined from 2007 for six straight years." However, Fulthorpe was careful to add that not all manufacturers have enjoyed the export boom from which the premium German makers and more recently Jaguar/Land-Rover have benefitted. "Higher-volume, more generalist makers have been more constrained by their exposure to Western European markets, which are showing signs of a tentative recovery this year," Fulthorpe told *Automotive Logistics*. Moreover, Fulthorpe said that the mid to long-term trend is expected to see the pace of exports from Europe start to ease as carmakers increasingly localise their efforts in China, a clear and obvious trend, but also as they look to the US and especially Mexico to serve domestic-NAFTA demand and to export from that base.

PRESS RELEASES

Broekman Automotive Division BV acquired by C.RO Ports BV

*(Source: **Broekman Group**, 3rd December 2014)* After 30 years, the Broekman Group is saying farewell to both its Car Terminal and the Broekman Automotive Division. On 3rd December 2014, Raymond Riemen, CEO of the Broekman Group, and Anton Las, Managing Director of C.RO Ports BV, signed the agreement that finalises C.RO Ports BV's acquisition of Broekman Automotive Division BV including all of its operating companies. Broekman's entire staff and all of its customers will be transferred to the C.RO Ports organisation. This transition will mean an improvement in continuity, for personnel and customers alike.

Broekman Group: Focus on supply chain management in logistics

Thanks to acquisitions and autonomous growth over the last 15 years, the Broekman Group has steadily continued to develop from being a ship broker to a supply chain manager in the logistics sector. Recent acquisitions in the chemical logistics industry, warehousing and the sales of company divisions have been part of this development, one of which was the sale of the group's own inland shipping company in the past. "The sale of a single-focus terminal that only offered a limited synergy to the rest of the group is a logical next step," according to Raymond Riemen.

C.RO Ports realises ambitions for growth

With this acquisition of the organisation and the adjacent Broekman Automotive Division site, C.RO Ports will be expanding its property at the port of Rotterdam to include capacity for approximately 35,000 cars, 22,000 of which are covered spaces. The property is accessible by road, rail and water. The terminal has ISO, ISPS and AEO certifications, and uses an RFID system to locate cars. "It is the ideal location, one that will help C.RO Ports achieve its growth objective as a Ro-Ro terminal with more space and a deep-sea connection," according to Anton Las.

Rebranding
The Broekman Automotive Division BV and the ownership of all its operating companies, Broekman Car Handling BV, Rotterdam Car Center BV, Rotterdam Car Terminal BV and Rotterdam Automotive Services BV, will be transferred to C.RO Ports BV. Although Rotterdam Car Center BV, Rotterdam Car Terminal BV and Rotterdam Automotive Services BV will continue to operate under their current names, Broekman Automotive Division BV will continue as C.RO Automotive Division BV and Broekman Car Handling BV will become C.RO Automotive Rotterdam BV.

Juan Riva Francos appointed as President of the Spanish Naval Committee

*(Source: **Flota Suardiaz**, 2nd December 2014)* On 27th November Suardiaz Group CEO and President of Flota Suardiaz, Mr Juan Riva Francos, was appointed President of the Spanish Naval Committee of Bureau Veritas, a position that had been developed by Mr Fernando Fernandez Tapias over the past 30 years.

The Spanish Naval Committee consists of representatives from the most important companies in the National Naval Sector, including both shipowners and shipyards. Its main objective is to develop Security Research and Innovation matters in the naval sector. The appointment was chaired by the Minister of Public Works and Transport, Mrs. Ana María Pastor Julián.

Fourteen more shipping companies join Trident Alliance effort for enforcement of sulphur regulations

(Source: Trident Alliance, 27th November 2014) Trident Alliance, the shipping industry initiative for robust enforcement of maritime sulphur regulations, broadens its platform as some of Germany's and Denmark's most prominent shipping companies join its ranks together with new members from Chile, Greece, The Netherlands, Sweden, Norway and Belgium.

Roger Strevens, Chairman, is impressed at the level of industry engagement: "We are just a few weeks away from what will be a sea-change in the regulatory landscape for shipping, namely the introduction of the 0.1 % sulphur limits in ECA zones on 1st January 2015. It is reassuring to witness that so many companies want to make sure the new regulations are implemented in a way that ensures the expected environmental benefits as well as a level playing field."

The Trident Alliance welcomes:
- Hapag-Lloyd
- **DFDS**
- Ionic Shipping
- **Euro Marine Logistics (EML)**
- Marinvest
- Grieg Star
- Wijnne Barends
- Seatrade
- Spliethoff
- Transfennica
- Biglift
- Ultrabulk
- Ultragas
- Ultratank

This brings membership to a total of 31 companies. The member company CEOs have each signed a Statement of Commitment, in which they commit to supporting robust and transparent enforcement of sulphur regulations as well as to comply with said regulations.

Active Participation
The Trident Alliance continues to participate in industry conferences, working groups and media outreach to realise its objective of raising awareness around the lack of enforcement of sulphur regulations and the entailing risk to human health, the environment and fair competition. Among other, the Trident Alliance has been invited to present at a European Parliament event in Brussels on sulphur compliance on 11th December. The meeting, entitled "Cutting air pollution from ships – Will ships comply? Will ports enforce new sulphur directive?" is hosted by Jytte Guteland, MEP.

[*See www.tridentalliance.org/events/2014/12/11/cutting-air-pollution-from-ships*]

"We welcome recent statements from the US Coast Guard and EPA, showing that they are taking co-ordinated action to step up enforcement activities to ensure compliance with the new requirements effective 1st January 2015. The announced combination of checking bunker delivery notes, fuel oil sampling and in-the-field screening should be effective," says Roger Strevens.

Ships must be prepared for strict implementation of IMO sulphur rules

(Source: International Chamber of Shipping, 1st December 2014) The shipping industry is fully committed to total compliance with the 0.1% sulphur in fuel requirements, in Emission Control Areas (ECAs), from January 2015. And there is no reason to suggest that there will not be full compliance, says the industry's global trade association, the International Chamber of Shipping (ICS). "But there is nevertheless concern amongst those owners who know that they themselves will comply but who may worry about their competitors" said ICS Director of Policy & External Relations, Simon Bennett, speaking at the Mediterranean Bunker Fuel Conference in Barcelona.

Mr Bennett remarked "The shipping industry will be investing billions of dollars in order to ensure compliance with this major regulatory change. It therefore seems only fair that governments should implement the rules in a uniform manner as we enter a brave new world in which fuel costs, for some ships, will increase overnight by around 50%". Mr Bennett suggested that, unlike some of the national authorities in Europe, the United States had made its approach to enforcement relatively clear. "The real crime in the US is to be caught providing false information to the Federal authorities" said Mr Bennett. "This is a criminal offence, attracting the possibility of multi-million dollar fines. If a ship has been found to supply false information, the US Department of Justice can be expected to throw the book at the operator. The DOJ is always very motivated by the chance to secure relatively easy prosecutions and shipping companies are easy pickings."

Looking forward to the implementation of the global sulphur cap, most likely in 2020, it was still unknown whether significant numbers of ships would make use of options for alternative compliance instead of burning low sulphur fuel, a provision which ICS had fought hard for during the negotiations at IMO when the MARPOL amendments were adopted. With respect to port state control and scrubbers, there was still a need for a harmonised approach about the acceptability of 'closed loop' and 'open loop' systems, and the extent to which overboard discharges would be subject to inspection.

With respect to sulphur-free LNG, while some new ships were being fitted with dual fuel systems, Mr Bennett suggested that for most existing vessels the engineering involved would probably be too costly to encourage retrofitting. The other major unknown was the extent to which the current lack of LNG infrastructure will be addressed before 2020. Apart from uncertainly about the comparative costs of LNG and distillate, there were also uncertainties about the future of the US shale gas revolution. In the medium term, there was also the possibility of alternative fuels such as methanol, which for some ships might produce a clean and economically viable alternative. There were genuine concerns about safety, although if handled correctly these were arguably little different to the risks surrounding LNG, and trials using such alternatives should therefore be permitted.

European truck makers urge agreement on weights and dimensions proposal

(Source: ACEA, 2nd December 2014) The commercial vehicles arm of the European Automobile Manufacturers' Association (ACEA) continues to push for policy makers' to find a workable agreement on the proposed revision of the 96/53/EC Directive on the Weights and Dimensions of trucks. At a trialogue meeting on 1st December evening, policy makers from the European Commission, Council and Parliament were unable to come to a conclusion on the key Weights and Dimensions Directive revision.

The main issue at stake is the date at which the legislation should be implemented. It is understood that the European Commission refused to accept the Council's consensus position of a five year period for implementation after the technical requirements have been defined and the Directive is transposed into national law, a position which reflects understanding of the sector's economic realities and is supported by ACEA.

Speaking after the meeting, ACEA Secretary General Erik Jonnaert said, "Lack of agreement risks pushing the dossier back into a Second Reading, which could delay the improvements industry seeks to make by years." Mr. Jonnaert focused on competitiveness issues that the lack of agreement causes, saying "Policy makers need to take into account the need for fairness and consistency in the application of new rules, particularly where legislative changes may have divergent impacts on some players in the commercial vehicle market."

Italian Presidency makes partial contribution to Fourth Railway Package and adopts conclusions on transport infrastructure

(Source: CER, 4th December 2014) On 3rd December, European Transport Ministers adopted a set of Council conclusions on transport infrastructure and the Trans-European Transport Network (TEN-T), in the context of the upcoming review of the Europe 2020 strategy, as well as a Progress Report on the Political Pillar of the Fourth Railway Package. The Community of European Railway and Infrastructure Companies (CER) welcomes these steps as they address fundamental market drivers which will contribute to the growth of the European rail sector.

The conclusions rightly stress the role that investments in transport infrastructure and networks play in boosting growth and creating jobs in Europe. In this context, CER is closely following ongoing discussions about finding sustainable and cost-effective ways of funding and financing infrastructure projects, with a particular focus on the completion of the Trans-European Transport Network (TEN-T). Nonetheless, CER believes that the Connecting Europe Facility (CEF) remains the most appropriate instrument to fund infrastructure investments in the context of TEN-T projects, and is therefore of the opinion that any other new initiatives in this area should not lead to a reduction in the commitments that are contained in the CEF Regulation.

CER also notes the Progress Report that the Council adopted on the so-called Political Pillar of the Fourth Railway Package. This report provides a solid basis for further discussions which will continue in the course of 2015. Market opening is supported by most delegations, while the award mechanisms in place for Public Service Contracts will demand further detailed discussions. In the same dossier, most national delegations share concerns over the definition of Public Transport Plans as well as on the way in which fair access to rolling stock has to be guaranteed by local Competent Authorities. The re-establishment of the notion of "essential functions of the infrastructure manager" is backed by many delegations and it was asked that different governance models be put on an equal footing.

CER Executive Director Libor Lochman said: "The Italian Presidency has conducted several discussions on the Political Pillar of the Fourth Railway Package over the past months. The national delegations used these opportunities to voice their opinions on the Commission proposal. Many of the concerns expressed reflect those of the European rail sector. We want a single European open market for rail, with a legislation that offers balanced conditions for all types of services. CER is ready to contribute to carving out the most accurate and efficient legislative solution". He added: "We are now looking forward to the Latvian Presidency giving priority to the Technical Pillar of the Fourth Railway Package as the instrument that will enable significant cost reduction in railway technologies."

Open letter to members of the Transport Council [*of Ministers*]

(Source: European Rail Freight Association – ERFA, 28th November 2014) As the representatives of companies and associations with an interest in the rail sector, we support the European Commission's Fourth Railway Package (4th RP) in bringing much-needed competition, investment and growth into the rail sector, to the benefit of passengers, customers and the wider EU sustainable transport goals. The 4th RP is an opportunity to establish the right framework conditions for competition and entrepreneurialism, essential for the efficient provision of goods and services.

In the face of rail's continued stagnation and even decline in some parts of the EU and in some types of services, and the continuing reduction in choice for freight customers, we urge EU Transport Ministers to push forward with the political pillar of the 4th RP.

- To abandon or neutralise this political pillar would be a missed opportunity to tackle:
- The potential misuse of public money, diverted away from much needed infrastructure investment to support monopolistic incumbents.
- The set-up of passenger-friendly common ticketing platforms so that passengers can buy rail regardless of who is operating the train.
- Inefficiencies in the management of the tracks including unfair capacity allocation, which undermine the provision of quality rail services and the ability of new entrants to survive.

- The waste of unused rolling stock, paid for with taxpayers' money, which could be made available for new services and operators.

Most of all it would be a missed opportunity to create a level playing field in the rail market. Fair competition above the tracks, including the involvement of new entrants and private sector operators, is essential if there is to be innovation and growth. There are many key issues in both the political and the technical proposals, including:

- The extent of separation between infrastructure manager and railway undertakings and Chinese walls between them to ensure no unfair financial flows and prevent illegal cross-subsidisation;
- The requirements for competition in passenger services;
- The greater responsibilities of the European Rail Agency (ERA);
- The need for greater co-ordination and co-operation between European infrastructure managers.

All these issues are interrelated and do need to remain in one package if the maximum benefit is to be derived from them; new entrants must be enabled and encouraged if they are to bring benefit to the sector. We all want to see the rail sector develop. This requires investment and, given the pressure on state funding, it is important to encourage private sector investment to enable the railways to grow, to provide a better service, meet the needs of the customer and keep costs and charges to the taxpayer and customer as low as possible.

The 4th RP will go a long way towards creating a single market in the rail sector. Rail must be able to live up to the many expectations of decision-makers, other transport modes and customers, and must be able to fulfil an important role in a resource-efficient, sustainable EU transport network. We do urge you to proceed with the 4th RP as a whole and retain the principles that allow a thriving competitive rail market to develop for the benefit of passengers and freight.

Signatories: European Rail Freight Association (ERFA), European Freight Forwarders' Organisation (CLECAT), European Passengers' Federation (EPF), European Shippers Council (ESC), Mofair, International Union of Rail-Road combined transport (UIRR).

Commission takes Austria to Court for not ensuring financial transparency

(Source: European Commission, 26th November 2014) The European Commission has decided to take Austria to the Court of Justice for failing to comply with EU rules on financial transparency in the rail sector. The Commission considers that Austria has failed to comply with key provisions of the Directive 2012/34/EU and Regulation (EC) N. 1370/2007 on financial transparency. Austria fails to ensure that public funds paid for the provision of passenger transport services, under PSO (public service obligations) are correctly shown in the relevant accounts. For this reason, it is not possible to identify how public money is spent and whether it is used for other purposes than the ones foreseen. For this reason, it cannot be excluded that public funds are used to cross subsidise other transport services. This could distort competition, potentially giving an unfair competitive advantage to those receiving the public subsidies. Such a situation would be contrary to existing EU rules, which aim at establishing an efficient, non-distorted and competitive EU internal market for rail.

ERFA has congratulated the Commission for the start of proceedings against Austria. To read their press release, please follow this link:
http://www.erfarail.eu/uploads/14-12-02_ERFA_congratulates_EC.pdf

The European Commission, UNIFE and CER host a successful European Rail Freight Days event

(Source: UNIFE, 5th December 2014) Organised by the European Commission, UNIFE, and CER, the European Rail Freight Days event, which took place on 27-28th November in Brussels, was a major success, gathering over 200 stakeholders from across the rail sector. The new European Commissioner for Transport, Ms Violeta Bulc, opened the first day of the event and called for a larger role for Rail Freight in an integrated European transport system so that Europe can meet its ambitious target of reducing CO_2 emissions by 60% by 2050.

Ms Bulc pointed out that there are still too many technical and regulatory barriers in place in Europe that affect both operators and the rail industry. Among them, the authorisation procedure for locomotives and wagons set to operate across borders takes too much time and is overly expensive. For this reason, she added, the

Commission is undertaking incisive actions to achieve the completion of a Single European Rail Area, including freight. Ms Bulc then expressed her strong support of the work being currently carried out by the EC on ERTMS to deliver a sound, reliable and stable technical system, thereby supporting a fair competitive environment for railway operators.

The Director-General of UNIFE, Philippe Citroën, welcomed the statements made by Ms Bulc and expressed the industry's appreciation towards the current Commission initiatives in the areas of interoperability and simplification of authorisation for new rolling stock. Mr Citroën also urged the European Institutions to start trialogues to achieve a rapid approval of the Technical Pillar of the Fourth Railway Package. Mr Citroën then highlighted the key role of Shift^{2}Rail in enhancing the competitiveness of the European Rail industry by accelerating the integration of new and cutting-edge technologies into innovative rail product solutions. The new Joint Undertaking will support the freight sector with a budget of €80m, he added, which will secure and strengthen rail's market share in current shipping and logistics markets while at the same time enabling it to enter into new or lost market segments.

To read the Commissioner's intervention at the Rail Freight Days, please follow this link:
http://ec.europa.eu/transport/newsletters/2014/11-28/articles/highlight_en.htm