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## ECG bunker prices



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Consulting Group

## NEWS FROM BRUSSELS

### ECG & other industry events

- ▶ **ECG Board Meeting, on 27<sup>th</sup> January**, in Munich, Germany
- ▶ **ECG Russia Regional Meeting, in February (TBC)**
- ▶ **ECG Maritime & Ports Meeting, on 11-12<sup>th</sup> February**, in Barcelona, Spain
- ▶ **ECG UK & Ireland Regional Meeting, on 18<sup>th</sup> February**, in Birmingham, UK
- ▶ **ECG Land Transport Meeting, on 10<sup>th</sup> March**, in Bonn, Germany
- ▶ **Automotive Logistics Conference, on 11-12<sup>th</sup> March**, in Bonn, Germany
- ▶ **ECG Dinner Debate, on 24<sup>th</sup> March**, in Brussels, Belgium
- ▶ **ECG Board Meeting, on 25<sup>th</sup> March**, in Brussels, Belgium
- ▶ **ECG Maritime & Ports Meeting, on 22<sup>nd</sup> April**, in Koper, Slovenia
- ▶ **ECG Eastern Regional Meeting, on 23<sup>rd</sup> April**, in Koper, Slovenia
- ▶ **ECG Board Meeting and Spring Congress & General Assembly, on 28-29<sup>th</sup> May**, in Cascais, Portugal
- ▶ **ECG UK & Ireland Regional Meeting, on 10<sup>th</sup> June 2015**, in Liverpool, UK
- ▶ **Automotive Supply Chain Congress, on 10-11<sup>th</sup> June 2015**, in Liverpool, UK
- ▶ **ECG UK & Ireland Regional Meeting, on 12<sup>th</sup> November**, in London, UK
- ▶ **Automotive Supply Chain Global Awards, on 12<sup>th</sup> November 2015**, in London, the UK

### Quality Working Group meeting held in Brussels



(Source: *ECG*, 20<sup>th</sup> January 2015)  
ECG held the latest meeting of its Quality Working Group in Brussels on 20th January. The meeting gathered 40 participants from ECG member companies, car manufacturers and inspection and claims handling companies, all dedicated to improving standardisation, efficiency, quality and safety. In a very lively meeting the main discussions centered around the amendments to ECG's

Operations Quality Manual for cars and LCVs of which Version 5 has been recently published on the website. Other elements of the agenda were the co-operation with AIAG and some dedicated guidelines for handling electric vehicles and those powered by other 'alternative fuels'. The lengthy debates resulted in a long to-do list not just for the ECG team but also for the participants, many of whom have agreed to participate in sub-groups or to do other work. All agreed to come together more regularly and to reconvene this Working Group before the summer recess. If you are interested in participating in the Quality Working Group, which is also open to non-member companies, please contact Oleh Shchuryk at: [oleh.schchuryk@ecgassociation.eu](mailto:oleh.schchuryk@ecgassociation.eu).

### ECG bunker prices

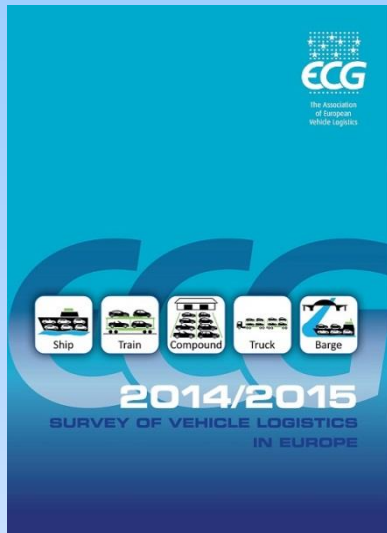
(Source: *ECG*, 20<sup>th</sup> January 2015) ECG has been publishing benchmark European fuel prices for the road transport sector for many years now and these are widely used as the reference point for contract fuel clause adjustments in our industry and beyond. Since early 2013 we have also published weekly bunker prices for the maritime sector. The bunker prices for Rotterdam and Genoa are updated every Friday on our website and are currently freely available for all to use. See them here:

<http://www.ecgassociation.eu/publicationsreports/fuelprices/bunkerprices.aspx>

### Latvian Transport Minister and DG MOVE Director General in TRAN Committee

(Source: *European Parliament TRAN Committee*, 21<sup>st</sup> January 2015) The priorities of Latvia's EU Council Presidency were outlined in the European Parliament's Transport (TRAN) Committee on 21<sup>st</sup> January. Latvian Transport Minister Andrijs Matīss told the TRAN Committee that the Juncker investment proposal and the fourth rail package were priorities for the Latvian Council Presidency. The Minister emphasised the economic importance of enhancing connectivity by means of multi-modal transport systems. This needed to be reflected in the Trans-European Networks for transport. There would also be a meeting to promote Europe-Asia Transport links. Technical standards for inland waterways, the ports proposals and transport statistics legislation also all needed work. Members expressed concern that the Juncker plan should not undo the achievements of the Connecting Europe Facility. There was particular concern about the impact of the German minimum wage on road hauliers. Members also called for further work to enhance road safety and for transport's impact on climate to be given more attention. Mr Matīss replied that the instrument set up under the Juncker plan would be available in all Member States and would not threaten funds that had been allocated. Transport was one of the sectors with the highest added value and potential for growth. Investment in and development of the TEN-T network will be discussed at a ministerial

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meeting in March and the June Transport Council will address road safety issues, he announced. Following the discussions with Mr Matīss the TRAN Committee also held an exchange of views with Director General of Mobility and Transport Directorate-General (DG MOVE), Mr João Aguiar Machado. The Director General focused on the ongoing legislative work in the transport area and presented the Commission's work programme for 2015. This included evaluation of the existing legal framework; various repeals and withdrawals of obsolete legislation; reassessment of the White Paper; and implementation of Commission President Juncker's investment plan. Members questioned whether the latter would include the transport sector as it was not mentioned among the top 10 priorities. Mr Machado reassured members that transport would benefit from the investment plan as it remains one of the main contributors to economic growth. He thought the enforcement of existing legislation, rather than new proposals, was the key to improving working conditions and competitiveness of the sector.

### Transport Commissioner Bulc engages in dialogue with port stakeholders

(Source: European Commission, 19<sup>th</sup> January 2015) Commissioner for Transport Violeta Bulc met with the leaders of the 20 largest European ports and the European Sea Ports Organisation (ESPO). The meeting was organised at the initiative of Commissioner Bulc to exchange views on the future of ports policy. Commissioner Bulc stated: "Ports are amongst Europe's major assets. They provide seamless logistics across maritime, rail, inland waterways and road transport. They develop into industrial poles contributing to growth, jobs and energy security. We must preserve and enhance these assets. We will continue our dialogue to improve port connectivity and facilitate investments and innovation." The participants exchanged views on the global economic, geopolitical and technological challenges faced by the European ports and specific issues impacting their performance. Key topics included: possible solutions to improve rail connections, inland navigation and maritime connectivity along the corridors of the Trans-European Transport Network, the framework conditions for spurring efficient investment and the role of ports and innovation in the logistics chains. Also, the contribution of ports to energy security and climate policy and the way ports interact with port cities to promote their global outreach were discussed. The discussion provided valuable input to the further development of European transport policy and to the next stage of the legislative procedure on the Ports Regulation. The participants stressed the strategic importance of ports for Europe and the necessity to better reflect the role ports play for industrial development, growth, logistics, innovation and energy. The dialogue will continue.

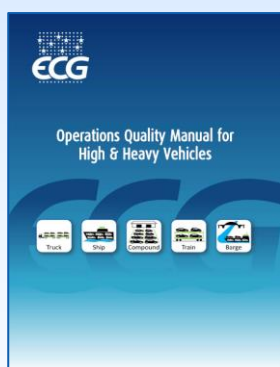
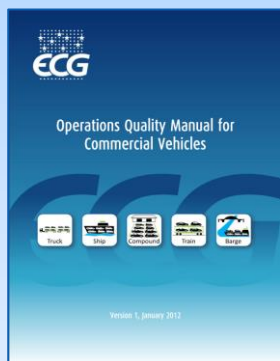
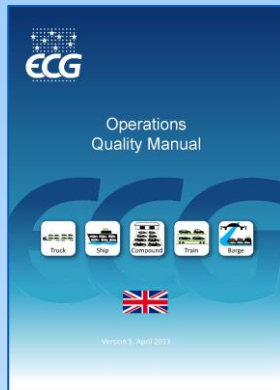
For more information on this meeting please find ESPO's press release at the end of this ECG News.

## AUTOMOTIVE INDUSTRY

### Third model at Kecskemét means more Daimler exports from Hungary

(Source: Automotive Logistics News, 21<sup>st</sup> January 2015) Daimler's Kecskemét plant in Hungary has started making the Mercedes-Benz CLA Shooting Brake this week, the third model to be produced at the plant since it opened in 2012, and the second to be made there exclusively following the CLA-Class, which was rolled out at the beginning of 2013. The plant also produces the B-Class (which is also made in Ratstatt, Germany). In total, around 150,000 models were manufactured there last year and around 300,000 units have rolled off the line at the Kecskemét plant since it started production. According to the company, almost the entire output at the plant last year was exported. The company has not revealed the

## The version 5 of the ECG Operations Quality Manual for PCs and LCVs now is available on-line!



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

For comments or inquiries please contact: [info@ecgassociation.eu](mailto:info@ecgassociation.eu)

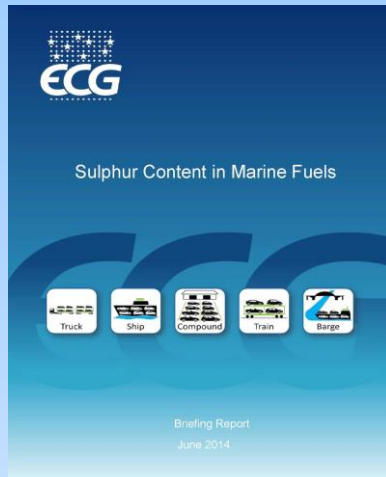
production capacity planned for the CLA Shooting Brake for 2015 or how many vehicles it expects to export, but did state that the first models will be arriving at European dealerships in March 2015. The top five markets for the model globally are Germany, Italy, Japan, the UK and France. Since 2013, the carmaker has been transporting most vehicles built in Hungary to Germany by rail, including shipments to Bremerhaven for export, and estimates making annual CO<sub>2</sub> savings of up to 60,000 metrics tonnes in doing so. The carmaker has also had success in exporting to the US using this link, with the CLA Class having almost doubled unit sales there last year to 27,000 vehicles. This is all helped by the contract it signed in 2013 for manufacturing in Hungary, which sees Mercedes-Benz benefitting from a low-interest export promotion loan totalling €90m, which the company said it will use for financing further investments in the Kecskemét plant in the future. "Thanks to the common architecture of the vehicles and especially the CLA, with which the CLA Shooting Brake is sharing many aspects, the integration of the CLA Shooting Brake was possible with relatively little effort and changes to existing processes," confirmed a spokesperson for the carmaker. The Kecskemét plant continues to work with five logistics providers that handle the different functions: incoming supplies by train or truck; processing empty containers; sequencing parts; and shipping finished vehicles. Those providers have not changed since 2013 and comprise Duvenbeck, Kühne+Nagel, Panopa, Lagermax and Rhenus Logistics. Investments in the Kecskemét plant to date total around €1bn. After spending €800m on the construction of the plant, the company has continued to develop the facility. That included preparation last year for the production of the CLA Shooting Brake.

### SMMT strengthens UK auto dialogue with EU

(Source: *Automotive Purchasing*, 22<sup>nd</sup> January 2015) Industry trade body the Society of Motor Manufacturers and Traders (SMMT) flew the flag for the UK automotive sector with a parliamentary reception in Brussels on 21<sup>st</sup> January. The reception brought together senior automotive industry executives, UK and EU government officials, MEPs and representatives of the European Commission. A keynote speech was delivered by Lord Hill, Commissioner for Financial Stability, Financial Services and Capital Markets Union, in which he announced the re-launch of the European Commission's CARS 2020 initiative. Also speaking at the event were MEP Glenis Willmott, MEP Syed Kamall and Mike Hawes, SMMT Chief Executive. Initially tabled in 2012 by the European Commission, CARS 2020 aims to boost the competitiveness and sustainability of the EU automotive sector towards the end of the decade. The initial stage was completed in October 2014, but the re-launch signals the Commission's intent to deliver further progress. Delivering the announcement, Lord Hill referred to the UK's Automotive Council – formed in 2009 as a means for government and industry to work together to establish UK automotive as a world leader – as a model that other EU Member States could adopt. The event presented a key opportunity to demonstrate the strength and importance of the UK automotive industry to European colleagues, and to emphasise how having a strong voice in Europe is critical to the continuing success of the UK automotive sector. The EU accounts for around half of all UK vehicle exports, with well over half a million UK-built cars sold there in 2014. This is set to rise in coming years on the back of continued investment into UK production facilities. The UK is now the third largest car manufacturer in Europe, behind Germany and Spain. New car registrations in the EU grew 5.7% in 2014. The UK remains its second largest market – behind Germany and ahead of France, Italy and Spain, and recorded the second-largest growth of these top five markets in 2014. In 2014 SMMT published a report into its members' views on the UK in Europe. The UK Automotive Industry and the EU found the following:

- Access to the single market, integrated European supply chains, EU innovation funding, free movement of labour and the ability to influence harmonised technical regulations and product standards are key EU benefits.

## Briefing paper on the sulphur content in marine fuels updated



As the Regulation on sulphur content in marine fuels came into force on 1<sup>st</sup> January, 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>

- 92% of automotive companies believe that staying in the EU would be best for their business, with majority seeking a reform agenda.
- Almost 70% believe that a withdrawal from Europe would negatively impact their business in the medium-to-long-term.
- Reform remains high on the agenda – especially the need to reduce complexity, encourage financial reform and consistently apply regulations.

To read SMMT's report of April 2014 on the 'The UK Automotive Industry and the EU' please follow the link below.

<http://www.smmt.co.uk/2014/04/uk-automotive-and-the-eu/>

## EUROPE

### Acumen adds to fleet of longer semi-trailers on UK routes for suppliers

(Source: *Automotive Logistics News*, 20<sup>th</sup> January 2015) **Acumen Distribution**, which provides transport and logistics services for the UK automotive industry, has added four longer semi-trailers (LST) to its existing fleet, bringing the total number to 21, one of the largest in the country. The trailers are 15.6 metres in length compared to the standard UK length of 13.6 metres. Acumen began using LSTs in 2012 as part of a ten-year trial commissioned by the UK Department for Transport (DfT). The DfT's Freight and Logistics Division commissioned the study, which involves 172 logistics companies, to examine the potential efficiency gains and environmental benefits of allowing longer semi-trailers to operate within the British road haulage market. Acumen Distribution's latest additions will be used mainly on three return routes: between Sunderland and Wednesbury and between Sunderland and Telford, on which route Acumen will be handling seat components for supplier Johnson Controls, which supplies Nissan's plant in Sunderland. When Acumen began its trial using LSTs in 2012 it was as part of its contract with Johnson Controls. The third return route between Redditch to Middleton will again support seat delivery, but this time for component supplier Lear, which supplies seats to the Jaguar Land Rover plant in Solihull. Acumen has reported that over the past 12 months it has reduced the number of journeys between Sunderland and Wednesbury by 150, saving a total of 60,000 miles (96,560 kms). On the route between Sunderland and Telford the company has already reduced mileage by 15% since the trailers were first introduced two months ago, equating to around 4,250 miles. On the Redditch to Middleton route the company has saved nearly 30,000 miles. "The longer-semi trailers are having a positive impact for our customers and the environment," said Chris Doughty, Managing Director of Acumen Logistics. "Not only are we decreasing traffic congestion and providing greater operational efficiency, we are also saving 128.61 tonnes of CO<sub>2</sub> emissions and reduced our mileage last year by a staggering 91,214 miles."

### Höegh ships Hitachi training wagon from Japan to UK

(Source: *Automotive Logistics News*, 20<sup>th</sup> January 2015) **Höegh Autoliners** vessel – Höegh London – has delivered a rail carriage from Kobe in Japan to the Port of Tyne in the UK for onward delivery to the Hitachi Rail Europe plant in County Durham, UK. The part assembled train carriage, which will be used for training purposes, travelled for 52 days and 12,880 nautical miles on the 229m-long carrier to get to the port of Tyne's Höegh Northern Terminal. "The port of Tyne has been working with Hitachi Rail, Höegh and NSA UK [a terminal operator, part of the Nissan Carrier Group] to ensure that this shipment goes smoothly," said Andrew Moffat, the port's CEO. "As the UK's number one port for vehicle exports the port regularly receives large car carriers arriving directly from Japan and has long established relationships with automotive and construction plant manufacturers, including Nissan, Volkswagen, Renault, Komatsu and Audi."



## Events in Brussels

The 5<sup>th</sup> iMobility Forum Plenary Meeting with the theme "Policy priorities and EU initiatives supporting Intelligent Mobility in Europe" will be held on **27-28<sup>th</sup> January**

<http://www.imobilitysupport.eu/component/easyblog/?view=entry&id=140&Itemid=101>

*ECG will attend.*

Rail Forum Europe holds the 'Deteriorating international rail links - What can be done?' event on **28<sup>th</sup> January**

<http://www.rail-forum.eu/category/events>

*ECG will attend.*

The European Commission will hold the Smart, Green and Integrated Transport Information Day on **2<sup>nd</sup> February**

<http://ec.europa.eu/research/index.cfm?pg=events&eventcode=AA1D4952-CD98-351B-DF9799D6BDD4A240>

*ECG will attend.*

ECSA organizes the European Shipping Week between **2<sup>nd</sup> and 6<sup>th</sup> March 2015** in Brussels

<https://www.europeanshipingweek.com/>

*ECG will attend.*

ECG organizes its annual **Dinner Debate** on **24<sup>th</sup> March** in the European Parliament: "Roadmap to a Single European Transport Area: priorities of the finished vehicle logistics sector"

The carriage will become Hitachi's training unit, and will be used to help train manufacturing staff, with apprentices, technicians and engineers using it to learn how to build trains. The 26m long carriage will be stored at the Höegh Northern Terminal, one of the three car terminals at the port, before it is eventually transported to Hitachi's training facility. Graeme Wardhaugh, General Manager at NSA UK, said: "Our experience of working with the Renault Nissan Alliance and other companies such as Hitachi Construction Machinery has allowed NSA and Höegh Autoliners to develop the skill base which these global companies require to support their logistics needs."

## Vigo port records healthy vehicle handling for 2014

(Source: *Automotive Logistics News*, 20<sup>th</sup> January 2015) In 2014, the north-western Spanish Port of Vigo handled more than 423,000 finished vehicles, the vast majority of which were exported. PSA Citroën accounted for 80% of all automotive traffic in the port, followed by Ford, Renault, Toyota, Nissan, Mitsubishi and Volkswagen. Countries where imports from Vigo rose notably were Egypt, Germany, Greece, Italy, Tunisia and the UK. Exports to Germany, in particular, were up 18%, amounting to 33,000 units, while those to Egypt (which included all exports) rose 82% to more than 5,300 units. Greece, where traffic went up by 64%, accounted for 1,400 finished vehicles, while trade with Italy increased by 32% to 21,100 units, virtually all exported. The UK was also an important trading partner: accounting for 66,000 units, up 37% over the 48,000 units reported for 2013. Finally, traffic with Tunisia rose 17%. In recent years, Vigo has topped the league for Ro-Ro traffic on the Iberian Peninsula's Atlantic coastline, from Sines, in Portugal, all the way to Bilbao, close to the French border. To support that increase in traffic, the Port of Vigo now dedicates 500,000m<sup>2</sup> to finished vehicles handling, with five Ro-Ro ramps. A sixth will enter service shortly. This is a mobile ramp that will mainly be deployed on the reinforced Sea Motorway Service, where a second Ro-Ro vessel was introduced on 19<sup>th</sup> January, linking the Ports of Vigo, Nantes-St. Nazaire, Le Havre and Algeciras. One of the first shipments to use this expanded service will be a consignment of around 100 buses, which will be sent from Turkey to Vigo in late January and on to Algeria, where they will arrive in early February.

## EU to support European ITS and cross-border traveller information services

(Source: *INEA*, 22<sup>nd</sup> January 2015) The EU's TEN-T Programme will co-finance with over €50m the deployment and use of Intelligent Transport Systems (ITS) on European highways to improve their safety, security and efficiency. Close co-operation among 20 EU Member States, road authorities and private stakeholders will improve and support ITS on the main European road network. It will provide safety and traffic related information to all users and ensure the interoperability of ITS services across the EU. ITS will be deployed in five separate projects, each of them focussing on a specific part of Europe. Examples of ITS services deployed by these projects are:

- Intelligent truck parking services, based on common European standards to find available, safe and secure parking places for trucks;
- Road navigation services with reliable information on travel conditions, to plan the most cost-efficient journeys and receive accurate travel time estimations.

The projects will also improve traffic management and the cross-border exchange of information among the EU Member States, thus reducing delays due to traffic congestion and increasing the safety level in the European roads. The projects were selected for EU funding with the assistance of external experts under the TEN-T Multi-Annual Call 2013, priority 'Intelligent Transport Systems'. Their implementation will be monitored by INEA, the European Commission's Innovation and Networks Executive Agency. All projects are to be completed by December 2015.

## ECG Office



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



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



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



**Cliona Cunningham**  
External Relations Manager  
T: +32 2 706 8285  
[cliona.cunningham@ecgassociation.eu](mailto:cliona.cunningham@ecgassociation.eu)



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



**Beatriz Peon**  
Communications and Events Officer  
T: +32 2 706 8280  
[info@ecgassociation.eu](mailto:info@ecgassociation.eu)

For more details on the ITS projects please read the INEA press release::

[http://inea.ec.europa.eu/en/news\\_events/newsroom/eu-to-support-european-its-and-cross-border-traveller-information-services.htm](http://inea.ec.europa.eu/en/news_events/newsroom/eu-to-support-european-its-and-cross-border-traveller-information-services.htm)

### EU to co-finance rail improvements in Austria

(Source: INEA, 20<sup>th</sup> January 2015) The EU's TEN-T Programme will co-finance with over €6m, studies preparing the construction of a new two-track rail line between Linz and Wels and between Salzburg and Steindorf/Straßwalchen in Austria, to increase the capacity of the existing line and improve the efficiency of traffic flows. The new line between Linz and Wels will also integrate Linz airport, to promote 'greener' alternatives to road transport and to improve the travel conditions for both passengers and freight carriers. The actions are part of a larger project aiming to enable the continuous four-track operation of train services for the connection Salzburg – Vienna. The works which have been partially completed will improve the efficiency of the line for transiting cargo and high-speed passenger trains. The studies are based on operational simulations showing that an additional two-track line is urgently needed in these rail sections to meet the capacity shortages. They will prepare the Environmental Impact Assessments necessary for the construction phase. The project was selected for EU funding with the assistance of external experts under the TEN-T Multiannual Call 2013, priority projects. Its implementation will be monitored by INEA. The project is to be completed by the end of 2015.

### EU supports better sea connections across the Dover Strait

(Source: INEA, 22<sup>nd</sup> January 2015) The EU's TEN-T Programme will back with over €14m the improvement of the sea connection between Dover in the UK and Calais in France. The developments include better traffic management, berth enhancements and a new rail freight connection between Calais and southern France. The project will focus on innovative solutions to adapt and enhance the current transport infrastructure and improve the traffic management across the Strait of Dover. The project's activities include:

- The construction of a secure holding facility for 220 freight vehicles in the Port of Dover and optimisation of the traffic management to reduce the congestion in the port and its hinterland;
- Berth enhancements in Dover and Calais for a safer, faster, more reliable and robust welcome of larger ferries to reduce their stay in port;
- The construction of a multimodal platform leading to better links between the UK, the Benelux countries and northern Spain.

The action will have a positive impact by encouraging modal shift and reducing the carbon footprint of transport; as well as decreasing road congestion and the negative environmental impact. The project was selected for EU funding with the assistance of external experts under the TEN-T Multi-Annual Call 2013, priority 'Motorways of the Sea'. Its implementation will be monitored by INEA. The project is to be completed by the end of 2015.

## REST OF THE WORLD

### Shipowners who violate ECA rules face stiff penalties in the US

(Source: MarineLog, 19<sup>th</sup> January 2015) Shipowners who violate the new fuel sulphur requirements in the North American ECA (Emissions Control Area) will face stiff civil penalties. On 16<sup>th</sup> January 2015 the United States Environmental Protection Agency (EPA) released a penalty policy that outlines the methods by which the agency will assess civil penalties for violations of the ECA limits, which are enforceable in the US under the Act to Prevent Pollution from Ships (APPS). The penalty policy's goal is to achieve deterrence through a penalty that removes



the economic benefit of noncompliance, and reflects the gravity of the violation. The policy says the EPA case team should calculate the full economic benefit of noncompliance and the gravity components of the penalty, and then decide whether any of the adjustment factors provided for to ensure a penalty is fair and equitable are applicable. The “economic benefit” component is a mathematical formula based on factors such as the relative price difference between compliant and noncompliant fuel, and the amount of noncompliant fuel burned within the ECAs. The policy includes methods for estimating these factors when actual data is not available. The “gravity” will look at the seriousness of the violation, including the actual sulphur content of noncompliant fuel burned within the ECA. Another factor is the number of recordkeeping violations. The “economic benefit” and “gravity” components are combined into a “preliminary deterrence amount”. That combination is then adjusted according to factors designed to provide flexibility to account for the unique facts of each case such as degree of wilfulness or negligence, degree of co-operation, history of noncompliance, litigation risk, ability to pay, and performance of a supplemental environmental project. While the statutory maximum penalty set by APPS is \$25,000 per violation per day, a ship burning non-compliant fuel may also be in violation of other requirements of MARPOL Annex VI and could also face additional penalties for those violations. For example, ships are required to maintain a written procedure showing how the fuel oil change-over is to be done, and a log recording change-over details, including recording certain measurements in fuel tanks prior to the entry into, or commenced after exit from, an ECA. Any ship that does not use compliant fuel in an ECA may have also failed to establish and/or follow a change-over procedure, and/or make and record the required measurements. Other Annex VI regulations require ships to receive and maintain bunker delivery notes for a period of three years after the fuel oil has been delivered and to maintain a representative sample of the fuel oil delivered to the ship for a period of twelve months from the time of delivery. Each failure, on each day it occurred, is a separate violation. The EPA says it may calculate penalties for violations of MARPOL Annex VI, APPS, and regulations other than those covered by the penalty policy on a case-by-case basis, may amend the penalty policy, or may create a separate penalty policy.

### **Car importers protest increased import duties in Kyrgyzstan**

(Source: *Automotive Logistics News*, 20<sup>th</sup> January 2015) Automotive importers in Kyrgyzstan are urging the country’s government to cancel, or at least postpone, the introduction of a second round of levies on imported cars, which were brought in at the beginning of 2015. The first stage of the increase in duties, which are based on engine capacity, took place on 1<sup>st</sup> September 2014. As a result of the second round of increases, a number of vehicles have built up at the Kyrgyzstan border. Thousands of cars are currently stuck there as since the latest increase their import has become unprofitable. In response, the Association of Automotive Suppliers (AAS) has sent a letter to the government asking it to delay the new duties until 28<sup>th</sup> February 2015. The AAS estimates that on average, import duties have increased threefold, with a large increase in particular on duties on second hand vehicle imports. “For example, the duty on cars with an engine of 2,000 cubic cm (ccm) before 1<sup>st</sup> January was \$800, but now it reaches \$6,500,” stated AAS spokesperson, Albert Kobonov. “This is a very large amount, especially given the fact that the average profit of automotive importers and dealers in Kyrgyzstan amounts to \$1,000 per car.” In response, the country’s Ministry of Economy has stated that importers were informed about the new duties in the middle of last year, adding that therefore there was no reason to postpone their introduction. The Ministry’s Head of Trade policy, Taalaibek Bektashev said any postponement now would send out the wrong signal. “If we postpone the introduction of the new custom tariff then other importers, not only of cars, will ask us for the same reprieves.” The first stage of the increase in duties took place in autumn 2014. For vehicles, it depends on the size of the engine and certain other characteristics. September’s increases meant that duties on passenger cars with petrol engines up to 3,000 ccm, and diesel engines up to 2,500 ccm, increased by \$0.10 per ccm. At the same time, duties on cars with petrol engines more than 3,000 ccm, and diesel engines more than 2,500 ccm, increased by \$0.15 per ccm. From January this year, and for each year until 2020, the duties will continue to increase. For cars with petrol engines equivalent to 3,000 ccm, and diesel engines up to 2,500 ccm, the fee will increase by \$0.50 per ccm. While on cars with petrol engines larger than 3,000 ccm, and diesel engines bigger than 2,500 ccm, the amount will increase by \$0.75 per ccm. Kyrgyz custom duties are growing under a plan being implemented to make sure the country meets the requirement it needs to join the Customs Union with Russia, which already includes Belarus and Kazakhstan. The plan demands that fees will rise each year until 2020.

### **Port of Everett invests \$3.8m in terminal for heavy Ro-Ro traffic**

(Source: *Automotive Logistics News*, 21<sup>st</sup> January 2015) Work is now underway at the Port of Everett in the US state of Washington to strengthen the South Terminal with the aim of better supporting heavy Ro-Ro cargo operations. The total budget for the infrastructure project is \$3.8m, which includes strengthening 140-foot (43 metres) of the 700-foot (214 metres) dock to create a heavy lift pad. The work involves driving 42 new steel piles under the dock. The port has received a grant from the Washington State Department of Commerce



amounting to \$1.45m to help fund the project, which is expected to be complete by May this year. The port noted that the upgrading work was vital to ensure it can support machinery, heavy equipment and other break bulk cargoes that are regularly imported and exported through the terminal. “We are located on the BNSF mainline to the Midwest and focus on over-dimensional break bulk cargoes, such as aerospace, energy, forest products, and manufacturing,” said a spokesperson for the port. “We have been making significant rail and infrastructure investments to grow our rolling stock, and current handle tractors, combines and other equipment.” Last year the Everett customs district exported \$22.7bn in cargoes. The South Terminal wharf was originally constructed in the 1970s with a working load capacity of 500 pounds per square foot (psf). The project will double the strength of the dock, bringing the working load capacity to 1,000 psf.

## PRESS RELEASES

### An alternative to shipping companies rescuing migrants?

(Source: MOAS, 16<sup>th</sup> January 2015) Commercial shipping companies are seriously worried about their duty to assist search and rescue operations in view of the recent surge in migrant boat crossings around the Mediterranean Sea.

The EU has scaled down its search and rescue operations, putting a bigger onus on fishing boats and commercial ships to assist in situations of distress, while conflicts in Syria, Libya and Gaza have driven more than 170,000 potential refugees to make the dangerous crossing in 2014 alone.

There are no easy solutions for this phenomenon but a private foundation, called Migrant Offshore Aid Station (MOAS), is providing some food for thought.

MOAS started as a humanitarian rescue mission founded by Christopher and Regina Catrambone, a young and enterprising couple who own Tangiers Group, a group of companies specialising in emergency services, insurance and intelligence.



Source : MOAS/Darrin Zammit Lupi

In the summer of 2014, MOAS set sail to assist migrants at sea, equipped with a 40-metre boat, two RHIBs, two Schiebel campcopters and an experienced crew of rescuers and paramedics. Within 60 days, MOAS has assisted more than 3,000 migrants, working closely with the Italian authorities to bring them to safety.

“We were called to investigate hundreds of reports and performed 10 successful rescues extremely professionally, without incident,” said Brigadier Martin Xuereb, Malta’s former Chief of Defence, who heads MOAS.

“Unlike fishing boats or commercial ships, we were out at sea precisely to perform search and rescue missions so we were prepared for any eventuality. We had hundreds of life jackets on board, lots of food and water and a fully-stocked clinic with paramedics to treat the injured and sick,” he added.

Mr Catrambone, who funded the operation but also participated personally in all the rescue missions, was struck by the fact that such a challenging endeavour was expected to be conducted by ships that were much less equipped than the Phoenix.

“Each rescue came with unique challenges. We were prepared for everything because we planned to be there for this specific reason. But I wonder if the rescues would have been that successful if we were just a commercial ship or a fishing boat with a limited size of crew and without the right equipment,” he said.

“I can understand the fears of captains who have cargo and crew to protect and might not know the first thing about how to conduct a rescue of 300 migrants overcrowded on an old boat,” he said.



MOAS is currently on a drive to raise money to fund its 2015 operations and is hoping to set sail again as early as May. The operation costs some €400,000 per month.

MOAS is accepting donations from the public at <http://www.moas.eu/donate> but is also hoping to partner up with large organisations, companies and benefactors willing to fund the project on a longer-term basis.

MOAS can be contacted on [info@moas.eu](mailto:info@moas.eu) or via Twitter at [www.twitter.com/moas.eu](http://www.twitter.com/moas.eu).

**ECG Note:** *Davide de Bernadin, Project Co-ordinator at MOAS is a former member of the ECG Secretariat.*

## Top Ship Owners and Regulators line-up to speak at flagship European Shipping Week Conference

(Source: ESW, 15<sup>th</sup> January 2015) Violeta Bulc, European Transport Commissioner, will join the heads of the European and Global shipping industry as speaker at the inaugural flagship conference to be held as part of European Shipping Week 2015.

Commenting on the event, Commissioner Bulc said: “The ESW conference will be an opportunity to demonstrate that regulators and industry share the same objective of promoting safe, secure, sustainable and competitive shipping as a major contributor to growth and jobs in Europe.”

The conference, to be held on Wednesday 4<sup>th</sup> March at the Plaza Theatre in Brussels, will attract in excess of 400 top ship owners and European and global regulators as delegates. Themes under discussion will include driving innovation within European shipping; plugging the maritime skills gap and focusing on the important role a highly competitive and efficient shipping industry will play in Europe’s future wellbeing.

Departing a little from normal conference styles, the European Shipping Week conference will focus strongly on keynotes speeches punctuated with high-level interactive panel debates. Invited and confirmed moderators include top industry commentators such as Julian Bray, Editor-in-Chief at Tradewinds.

Other speakers confirmed as attending include Tor Egil Svensen, CEO Maritime, DNV GL; Philippe-Louis Dreyfus, President of Louis Dreyfus Armateurs; Dan Sten Olsson, CEO of Stena Sphere; as well as Mark Dickinson, General Secretary of Nautilus International. Emanuele Grimaldi, Managing Director of the **Grimaldi Group** has also confirmed his attendance as has Alfred Hartmann, Chairman of the Supervisory Board at Hartmann AG; as well as Fotis Karamitsos, Director of Maritime Transport at the European Commission, and Markku Mylly, Executive Director of the European Maritime Safety Agency. The heads of the shipping industry’s main owner associations have also been invited to speak.

Patrick Verhoeven, Secretary General of the European Community Shipowners’ Associations (ECSA), welcomed news that some of the top leaders in European and Global shipping would be speaking at, and attending, the ESW conference.

He said: “Important issues such as the sustainability of European shipping; how does it compare to its global competitors; and to what extent can innovation foster sustainability will all come under the spotlight.”

“A strong European shipping industry also needs to tap into a ready and highly competent workforce. Other questions to be debated at the conference include the overall competitiveness of EU shipping and how it can maintain the benefits of its competitive edge in the face of mounting global competition,” he added.

## ESPO meets with Commissioner Violeta Bulc

(Source: ESPO – European Sea Ports Organisations, 19<sup>th</sup> January 2015) European port authorities need a policy that empowers them to successfully match commercial and public interests, and to meet the various challenges that both market forces and society imposes upon them.

Notwithstanding their diversity, European port authorities believe that more autonomy, be it commercial, financial and/or organisational will serve them best in facing the challenges ahead.



European ports work: they make transport work, make the economy work and make their environment work.

That is the main message given by the European Sea Ports Organisation (ESPO) during their meeting with the new Commissioner for Transport Violeta Bulc on 19<sup>th</sup> January.

During this formal encounter, Mrs Bulc met with ESPO Chairman, Santiago Garcia-Milà, ESPO Vice Chairs Eamonn O'Reilly and Annaleena Mäkilä and ESPO's Secretary General, Isabelle Ryckbost.

ESPO and the Commissioner exchanged views about the challenges ports are currently facing, and the vital role ports play for Europe's economy and growth. In that respect, ESPO stressed that European ports are real drivers of economic prosperity and are to be seen as much more than a place where ships are simply loaded and unloaded.

Furthermore, the ESPO representatives outlined what European policy can do for ports and presented in that respect ESPO's recent memorandum, which highlights six points of attention for the new Commission and Parliament. Finally, ESPO informed the Commissioner about its position regarding the port regulation proposal. ESPO stressed the importance of an EU ports policy that:

- Ensures full autonomy in setting charges and minimum requirements for port services;
- Guarantees financial transparency where ports receive public funding;
- Gives clear guidance on state aid for port investments.

ESPO Chairman Santiago Garcia-Milà asked for the support of the Commissioner on these points. "The Council has set important steps towards a more realistic and workable regulation. However, by letting Member States decide whether to give ports more autonomy or not, the Council risks further undermining the level playing field between European ports. We want the autonomy of ports strengthened in Europe, as it was initially proposed by the Commission and is supported by the Rapporteur in the European Parliament. We have asked Mrs Bulc to support us in that plea."

At the outcome of the meeting, ESPO's Secretary General Isabelle Ryckbost said: "We very much welcome the opportunity given by Commissioner Bulc for an open dialogue with ESPO and some of our members and we are very much honoured to have met Mrs Bulc early in her mandate. The Commissioner seems to understand both the diversity and the potential of European ports. I am confident we can look forward to a constructive co-operation with the new Commissioner".

After the exchange of views with ESPO, the Commission also met with representatives of a selection of European ports for a two hour discussion on issues affecting the sector.

**ECG Note:** The next ECG Maritime & Ports Working Group meeting is set to take place at the Port of Barcelona on 11<sup>th</sup> and 12<sup>th</sup> February. There the ECG members will have an in-depth discussion with Mr. Santiago Garcia-Milà, ESPO Chairman and the Port of Barcelona's Deputy General Manager for Strategy and Commercial. Any ECG member or sponsor wishing more information on this meeting, please contact [tom.antonissen@ecgassociation.eu](mailto:tom.antonissen@ecgassociation.eu) directly.

## IRU promotes road safety in China through Safe Load Securing Guidelines

(Source: IRU, 16<sup>th</sup> January 2015) The International Road Transport Union (IRU) has published the Chinese version of its International Guidelines on Safe Load Securing for Road Transport to promote safe load securing practices for all stakeholders involved in the transport of goods by road and further increase road safety in China.



The IRU Guidelines are based on a European standard for load restraining on road vehicles (EN 12195-1:2010). They include safe practices observed across the road transport industry, such as for timber and vehicle transport, as well as other operations not covered by the European standard.

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

According to Mårten Johansson, President of the IRU International Commission on Technical Affairs, "These guidelines enable road transport stakeholders anywhere in the world to correctly load and secure goods on vehicles. If safe load securing practices are implemented from the outset, this will create sustainable improvements in transport operations and road safety standards at national and international level. I would like to thank Scania China and the German technical co-operation organisation GIZ for contributing to the translation of the Guidelines into Mandarin."

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

"We are very proud to be part of this initiative to introduce these guidelines to the Chinese transport market as proper load securing is a very important element of road transport safety", said Mats Harborn, Executive Director, Scania China.

The guidelines have been downloaded in 120 countries and are also available in English, Estonian, French, Spanish and Russian.

***ECG Note:*** Chapter 7.5 of the IRU Safe Load Securing Guidelines concerns car transport and was based on ECG's Operations Quality Manual. IRU's document can be downloaded on the below link:  
[http://www.iru.org/en\\_bookshop\\_item?id=378](http://www.iru.org/en_bookshop_item?id=378)