ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 15.06, 9th –13th February 2015

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

NEWS FROM BRUSSELS

MEPs approve change to law on cross-border speeding fines

(Source: European Voice and ETSC, 11th January 2015) Members of the European Parliament voted on 11th February to change the legal basis of a 2010 law designed to make it easier to track down and punish European Union motorists who commit traffic offences in a Member State where they are not resident. The Commission had put forward the original directive in 2010 on the basis of transport policy, but this was changed by Member States to the EU's competence in the field of police co-operation, during the course of negotiations. After the law was adopted, the Commission launched the challenge with the European Court of Justice (ECJ), believing the law had been adopted on the wrong legal basis. The law was in effect for less than a year before it was struck down by the ECJ last year. The new directive changes the legal basis back to transport policy. The change will have a practical effect for drivers from Denmark, Ireland and the UK, which have so far not had to pay foreign fines because their countries have opt-outs on EU police co-operation and have not implemented the 2010 legislation. Once the legal basis is changed to transport policy, the three countries must implement the rules.

The directive set up a procedure for the exchange of information concerning eight road traffic offences: speeding, non-use of a seat-belt, failing to stop at a traffic light, drug- and drink-driving, failing to wear a helmet on a motorcycle, using of a forbidden lane, and illegally using a mobile phone. Under the legislation, Member States can access each other's national data concerning vehicle registration in order to determine the person liable for the offence. The Court found that these measures do not concern 'prevention of crime' as defined under the police co-operation rules, but rather road safety, which is a transport issue. "The directive is a measure to improve transport safety and should therefore have been adopted on that basis," the Court found. The new directive must now be approved by Member States. The law will come into effect on 6th May 2015; Denmark, Ireland and the UK will have two additional years. The rules are also set to be reviewed in 2016. "Cross border traffic infringements are a huge problem in all EU member states," said French MEP Dominique Riquet, Vice-Chair of the European Parliament's Transport Committee. "In France, 21% of vehicles speeding and jumping red lights are registered outside of our territory, while many of our drivers have a sense of impunity when they drive in another Member State. These rules will help strengthen the overall level of safety on our roads and put all motorists on an equal footing."

AUTOMOTIVE INDUSTRY

Russian car sales may fall by up to 35% in 2015

(Source: Automotive News Europe, 9th & 10th January 2015) Russian new-car sales are expected to decline by 25-35% this year as a weakening rouble and a sharply declining economy hit demand, accounting firm PricewaterhouseCoopers has stated. Sales could be 1.52 million to 1.75 million units this year, compared to 2.34 million in 2014, when registrations were down 10% in annual terms, PwC said in a presentation. Russian-built cars would suffer the least, falling 10%, followed by foreign cars assembled in Russia, which would see a 33% drop. Imported cars would fall 55% next year. The rouble decline may encourage more automakers to localize their production in Russia, PwC said. Russian sales fell 24% in January after rising 2.4% in December, the Moscow-based Association of European Businesses (AEB) said in a statement on 9th February. In December hundreds of Russians rushed to buy cars and other durable goods to spend their rapidly devaluing roubles before prices rose. The rouble fell more than 40% last year. "If December was a big party for many market participants, then January is the equivalent to a bad hangover," said

Joerg Schreiber, Chairman of the AEB Automobile Manufacturers Committee. He said rising prices on new vehicles that have been imposed by automakers to counter the weak rouble will hit 2015 sales. “The price transformation of the market is something still in process, so the headache will rather get worse before going away eventually,” Schreiber said. Russia, a country with 143 million people, has been a booming market for car producers since the fall of the Soviet Union. But with the economy heading for recession due to Western sanctions imposed on Russia over the Ukraine crisis and falling oil prices, people have less disposable income. PwC said the geopolitical situation, the oil price, the rouble exchange rate, lending conditions and state support would be the main factors influencing sales this year. Nissan, which together with alliance partner Renault controls Russia’s biggest carmaker AvtoVAZ, on 9th February cut its European sales outlook for 2015 to 740,000 vehicles from an earlier forecast of 780,000 as CEO Carlos Ghosn predicts a steep slide in Russian sales this year. Earlier this month, Ghosn said the Russian market will likely fall by 20% this year. Ford expects Russia’s problems to weigh on European demand in 2015 after the automaker’s sales in the country fell 38% in 2014. General Motors says the “headwinds” in Russia are a barrier to its attempts to reduce its European losses. Renault will stop production at its Moscow factory for three weeks in response to a slump in Russian car sales. Output will halt at the Avtoframos plant between 16th February and 6th March, a company spokeswoman said on 11th February.

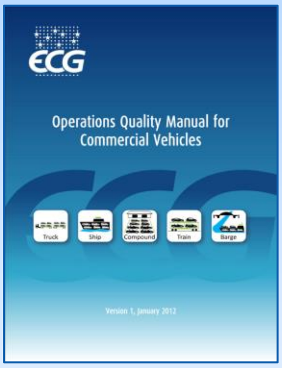
Ford will roll out six new models in Russia despite market slump

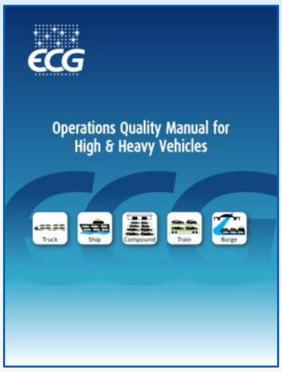
(Source: Automotive News Europe, 8th January 2015) Ford Motor will roll out six new models in Russia this year despite the country’s sagging economy and rising tensions over the conflict in Ukraine, CEO Mark Fields told German business magazine *WirtschaftsWoche*. “There are no bad times for me to introduce a great new model, even if the economic conditions are difficult,” Fields told the magazine. Russia’s currency and economic woes were cited in January by Ford as major reasons the company lowered expectations for its European business in 2015. Other carmakers have incurred losses and reduced production in Russia for the same reason. Ford Chief Financial Officer Bob Shanks said earlier this month that the company is looking at measures to cope with the Russian crisis. Fields declined to specify any company target for reducing its losses in Europe. “We don’t have a fixed target. We’ll cut back the losses this year and want to become profitable again as quickly as possible,” he said. In China, Ford aims to double its production capacity by the end of the year compared to 2013, Fields said. By the end of 2015, Ford will be able to produce 1.4 million cars and 500,000 trucks annually in China, he said. To reach that goal, the company will build two new factories and extend capacity at existing operations, he said. “We still see very much potential for growth,” he was quoted as saying.

Kia looks to export from Russia as profit collapses in domestic market

(Source: Automotive Logistics News, 6th January 2015) Kia Motors has said it will begin to export vehicles from its Russian facility in St. Petersburg to surrounding states, in an effort to offset falling sales and the effects of the depreciated Russian currency on the domestic market. The Korean carmaker is targeting Belarus, Kazakhstan, the Baltic States, Trans-Caucasus and Eastern Europe. The company said the move was connected to the sharp fall in the company’s profitability at the end of last year. The company saw its profit in Russia drop by 54% in the fourth quarter of 2014, down to $402m from $875m in the same period of 2013. It has forecast a further drop in sales and profit by another 12% in 2015. After a lengthy analysis of the falling profits, experts at the company agreed that some of those cars previously going directly to Russia can be exported to other countries, a spokesperson for the company said. The company’s decision was also based on the fact that Kia’s production has dropped sharply in Russia.

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

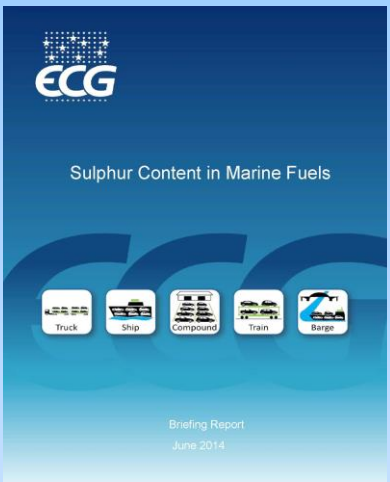
For comments or inquiries please contact: info@ecgassociation.eu

Russian business analysts have said that similar decisions are likely to be taken by other foreign carmakers based in Russia. “The idea is perfect, given the fact that the cost of production in Russia has also dropped,” said Michael Ganelin, senior analyst of Gazprombank. “The assembly of Kia is located in St. Petersburg, so the company can launch exports to Eastern Europe and the Baltic States with appropriate logistics spends.” That point was reiterated by Vladislav Isaev, a spokesperson from analyst firm Finam. “Cars produced in Russia by locally based companies can be redirected to other markets,” he said. “On the one hand this is because of the fall in domestic demand here, and on the other because of the fall of the Russian rouble against the dollar and euro, [meaning] the cost of production processes here [in Russia] may be lower than in other neighbouring regions. Some companies have already announced that they will increase the level of localisation and spare parts in such a situation.” The spokesperson also added that the same scheme may be of benefit for Russian divisions of Volkswagen and Renault-Nissan. There are rumours that Hyundai and Toyota could redirect supplies from the Russian market to Eastern Europe given the hit they have taken in Russia. For instance, in the fourth quarter of last year Hyundai profits in the country dropped by 19% year-on-year. That being said, not all foreign carmakers in Russia are looking at exports as a coping strategy. General Motors, for example, has decided to put production in Russia on hold from the middle of March to the middle of May this year.

France offers up to €10,000 to encourage diesel drivers to switch to electric cars

(Source: Automotive News Europe, 6th January 2015) France will gradually align taxes on diesel and gasoline and offer incentives to encourage consumers to swap diesel cars for electric models. Starting in April, the government will pay a bonus of as much as €10,000 to consumers who buy an electric car to replace an old diesel vehicle, Energy Minister Ségolène Royal said. “We have to eliminate old diesel cars that are more than 13 years old and have no filters,” Royal said. Measures against these types of polluting cars will make it “harder and harder” to use them, she said. Renault welcomed the EV incentives. “It could help to convince buyers to try an electric car,” a spokesman told *Automotive News Europe*. A €10,000-rebate would reduce the price of Renault’s Zoe subcompact EV to €12,400 from €22,400. The price of the Nissan Leaf would fall to €14,390 from €18,090. The two models are France’s best-selling passenger car EVs. French sales of the Zoe were 5,970 last year, according to analysts Inovev. Leaf sales were 1,604. Renault said the final terms of the rebate program have yet to be finalized. “We expect EV sales in France to increase substantially as a result of the measures,” Evercore ISI Global Automotive said following the decision. Royal’s comments on diesel cars follow an announcement by the government in December that it will raise the so-called TICPE excise tax on diesel by 2 cents per litre, bringing in €807m to state coffers in 2015. French taxes are lower on diesel than on gasoline, which has encouraged consumers to buy cars that run on the cheaper fuel. Environmental groups have urged the government to align the levies while French carmakers have said measures should encourage motorists to replace old vehicles with newer models. Aligning the prices would help reduce smog, Royal said on 4th February. “Air pollution is a major public health issue,” she said. “60% of the French population breathes air that isn’t healthy.” Paris and other big French cities regularly issue warnings about air pollution caused in part by particulates from diesel fumes. Alerts in recent years have reignited debate over the taxes. Paris Mayor Anne Hidalgo last month announced measures aimed at phasing out diesel vehicles in the city by about 2020. Domestic carmakers PSA Peugeot Citroën and Renault are among European automakers that market new diesel-powered vehicles as environmentally friendly because they can get more miles to the gallon than gasoline-fuelled vehicles and are less polluting than older models. “We have to be realistic because there are industries that make diesel cars, there are jobs involved,” Royal said. 64% of new cars sold last year in France to consumers ran on diesel compared to the 73% reached two

Briefing paper on the sulphur content in marine fuels updated



As the Regulation on sulphur content in marine fuels came into force on 1st 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

years earlier, according to the French car manufacturers' association CCFA. In countries such as Germany and the UK with different tax regimes, the proportion of diesel cars was 47% and 50% respectively in 2013. Overall, about 80% of French motorists drive diesel-powered cars.

EUROPE

WWL launches first Post Panamax Vessel - Thermopylae

(Source: Automotive Purchasing, 9th January 2015) **Wallenius Wilhelmsen Logistics** welcomes into operation the M/V Thermopylae, the first of its new generation of Post Panamax HERO (High Efficiency Ro-Ro) PCTC vessels. The Thermopylae features five liftable car decks, allowing for more configurations for cargo of various sizes and hence increased capacity for cars, trucks, equipment and breakbulk. The vessel's more shallow draft allows her to call to ports with shallower depths, increasing her scope of service geographically. Taking steps towards the Orcelle vision of zero-emission shipping, the Thermopylae design includes emission reducing features such as a streamlined bow, new Promas rudder and an engine configured to allow the vessel to operate more efficiently in a wider range of speeds and drafts. In addition, the vessel is fitted with an Exhaust Gas Cleaning System that reduces sulphur emissions to below 0.1% in compliance with ECA regulations. This system also removes 70% of particulate matter, significantly reducing NO_x emissions. According to Fridtjof Naess, Chief Operating Officer Ocean for WWL "These Post Panamax vessels are designed to meet customer demands for capacity as well quality and efficiency in both handling and operation. They also illustrate our quest to continuously reduce our environmental impact, and feature optimized hull design and a number of energy saving solutions to ensure efficient operation." The Thermopylae's maiden voyage will be from Asia to Europe, starting in the port of Hitachinaka, Japan and finishing in Bremerhaven, Germany. The vessel has been built at the Hyundai Samho Heavy Industries shipyard in Mokpo, South Korea. She is the first of in total eight HERO Post Panamax vessels that will commence service for WWL in the years 2015-2017.

MERCEDES AMG Petronas and DB Schenker link up for new logistics partnership

(Source: Automotive World, 9th January 2015) The MERCEDES AMG Petronas Formula One Team confirmed a new four-year logistics partnership with German-based global transportation and logistics provider, **DB Schenker**. From the 2015 season onwards, DB Schenker will provide logistics services for all European Grands Prix, tests and promotional events, including the transportation of the team's F1 W06 Hybrid racing cars, garage equipment and motorhome. Earlier this month, DB Schenker took delivery of their new team fleet from the Mercedes-Benz truck production plant in Wörth, Germany, including the five brilliant silver Mercedes-Benz Actros 1845 LS tractor units with Giga Space Cab that will transport the Silver Arrows race cars. Exceptionally low fuel consumption and maximum vehicle economy are assured by the Predictive Powertrain Control which, thanks to the linking of GPS data, the cruise control and the automated Mercedes PowerShift transmission, is able to detect the topography ahead and thus operate at optimum fuel consumption. Jochen Müller, Schenker Deutschland AG Board Member said: "The MERCEDES AMG Formula One Team relies on top performance, not only in motorsport but also in terms of logistics. This is why for us, as a sports logistics expert, it is a great honour that the team has placed its trust in DB Schenker as its logistics partner." Toto Wolff, Head of Mercedes-Benz Motorsport noted: "The highest degree of professionalism and precision is indispensable in Formula One, a consideration which also applies to our logistics services. We are pleased to welcome DB Schenker to the team as our new logistics partner and we have no doubt that they will provide excellent service and

Events in Brussels

The event 'Transporting goods from Asia to the EU, What role for intermodality?' will be organised by CER, with the support of the Latvian Presidency on **24th February**

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

IRU holds its Spring Cocktail 2015 on **4th March**
ECG will attend.

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

be able to respond to changing circumstances with the necessary flexibility and speed required in Formula One."

Ford expansion will boost volumes through Valencia's ports

(Source: Automotive Logistics News, 11th January 2015) Ford has completed a $2.6bn investment since 2011 to increase production at its Valencia assembly plant at Almusafas in Spain by 40%. It is the biggest investment in the history of the country's car industry. This year output is expected to reach 400,000 units across six different vehicles made exclusively at the plant and the majority will be for export around the world, meaning greater traffic for the adjacent vehicle handling ports. The Valencia plant currently builds the Mondeo wagon, five-door and four-door models, including the Mondeo Hybrid, as well as the Kuga SUV, Transit Connect light commercial vehicle and the Torneo Connect MPV. Later this year it will add the S-Max MPV and Galaxy people mover, along with the Vignale Mondeo. Of that output 80% will be exported to as many as 75 countries and, thanks to an agreement signed in December last year, Ford will be able to manage the increase in exports between the Ports of Valencia and nearby Sagunto. "This world-class facility will help Ford accelerate its growth in Europe and around the world," said Mark Fields, Ford's President and CEO. "Valencia is not only a major hub of production – building vehicles and engines exported to 75 countries worldwide – but also a centre of innovation, employing some of the industry's most advanced lean, flexible and environmentally friendly manufacturing processes." It will also be a major export hub, especially if its goals of reaching a potential 450,000 annual unit output are to be realised. The principal markets for those are in Western Europe, which after the domestic market in Spain, include the UK, Germany, Italy and France. The company has also signalled North America as one of the regions that will benefit from the increased output. Ford previously used the adjacent Port of Valencia for the majority of its exports from the Almusafes plant. The port is currently ranked number 12 in terms of European vehicle volumes with the number of units exported up almost 30% in 2013 to 271,000. Valencia handled 453,000 vehicles in total in 2013 (2014 figures will be published soon). However, in December last year, Ford announced it would be using the nearby Port of Sagunto, which has relatively low vehicle export numbers, to move up to 100,000 units annually. Both ports fall under the jurisdiction of the Port Authority of Valencia (along with the Port of Gandia). Sagunto now has around 50 hectares of space dedicated to automobile logistics.

For more on Ford's agreement with Noatum Ports, operator of Port of Sagunto please read ECG News 14.49.

Vigo announces €9m investment to enhance Ro-Ro services

(Source: Automotive Logistics News, 10th January 2015) Following healthy annual figures for vehicle handling at the north-western Spanish Port of Vigo and the introduction of the Vigo-Nantes Motorways of the Sea service, the management authority at the port has been re-evaluating the existing layout, with a view to making operations more efficient. In total, €9m is to be invested in upgrading Vigo's Ro-Ro facilities, of which half will be financed by the European Union (EU). Upgrading work is due to be completed by December this year. The investment will go to establishing an exclusive area in the East Zone of Bouzas Terminal, which will be used by traffic generated by the Motorways of the Sea service operated by the Suardiaz shipping line. This could comprise either finished vehicles, built mainly by PSA Peugeot Citroën, or trailers carrying parts and components. A tender for the construction of a new Ro-Ro ramp has already resulted in a €3.5m contract having been awarded. Again, the EU will pick up €640,000 of that bill. In addition, on the eastern side of the terminal, an area is to be created to allow vessels to be moored, using four pilot structures. This will make it possible for ships of up to 200 metres in length to be handled there. The project, which has a budget of €4.8m, is expected to be put out to tender shortly.

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The additional traffic that could be created by the enhanced Vigo-Nantes connection may well result in Vigo becoming a regional hub for Ro-Ro traffic. Vehicle manufacturing plants in Spain wanting to export output to either the north of Europe or Africa may well be tempted to switch consignments to Vigo, while car carrying shipping lines could be persuaded to upgrade trans-shipment services at the port. Citroën, Renault and Toyota already use the Bouzas terminal to export vehicles to Algeria, Egypt and Palestine.

More information on the Vigo-Nantes project can be found on the [INEA website](#).

REST OF THE WORLD

Mercedes breaks ground on new Brazil factory

(Source: Automotive News Europe, 5th January 2015) Mercedes-Benz broke ground on 5th February on its new car plant in Brazil, where it is investing 500m reais ($183 million) to build its C-class and GLA models. Mercedes will start production of the C-class sedan at the factory early next year and production of the GLA compact crossover will follow a few months later, the company said in a statement. "In the first stage we are aiming for an annual capacity of 20,000 vehicles," Mercedes said, adding that the factory has the potential for a further significant expansion if the market develops as it hopes. "Local production will allow us to tap the potential of the emerging Brazilian market even better and to respond more flexibly to the wishes of our customers," Mercedes production chief, Markus Schaefer said in the statement. The factory is in Iracemapolis, which is about 170km northwest of São Paulo, Brazil's financial hub. The level of automation at the plant will be significantly lower than in traditional Mercedes plants, the carmaker said, adding that 600 jobs would be created at the site with another 3,000 expected to be generated by regional suppliers and service providers. When Mercedes started building the A-class compact car at its Juiz de Fora plant in 1999 it became the first luxury carmaker to produce vehicles in Brazil. But it ceased car production there in December 2010 and refitted the site to make commercial trucks. With 3.3 million light vehicles sold last year, Brazil is the world's fourth largest market after China, the US and Japan. Its premium segment is fledgling in size, however, and represents only about 1% of sales, in part due to the heavy tariffs levied on imports. Social violence remains an issue for the country so flaunting wealth by driving an expensive luxury sedan such as a C class can bring problems in Brazil. Audi sales chief Luca de Meo told the Automotive News Congress in January that there is a growing trend toward premium car buyers living behind fences, such as São Paulo's Alphaville, the biggest gated community in the world with 50,000 people. These kind of customers would need multiple cars, he said, including a small autonomous driving car to move around within the community as well as a fast cruiser for whenever they leave. Mercedes joins rivals BMW and Audi in establishing production in Brazil to take advantage of expected luxury car market growth and to avoid high import tariffs. BMW launched initial production at its new €200m factory in Brazil's southern state of Santa Catarina in last October. The automaker plans annual production of 30,000 when construction is complete by September. The factory will build the BMW 3 series and 1 series, X1 and X3, and Mini Countryman. Audi is starting local production at VW's plant in São Jose dos Pinhais in the Curitiba region. The company plans to start building the A3 sedan this year, followed by the Q3 SUV in early 2016.

Daimler exports bus chassis to Egypt for local sale

(Source: Automotive Logistics News, 12th January 2015) Daimler Buses has started exporting bus chassis from India to Egypt for final assembly by its partner, MCV, which will fit bodies to those chassis at its facility in Cairo. The vehicles will be sold as Mercedes-Benz brand buses through MCV's sales network in the

country. Daimler said sales figures will depend on demand and for the time being it has planned to export a three-figure number. "With the Chennai-produced bus chassis, we are able to enter the developing low-cost segment of robust and reliable buses in Egypt – a segment in which we had not been present before," a spokesperson told *Automotive Logistics*. "The additional volumes produced in India exploit further export opportunities and exemplify how we make use of our global production network to tailor our products to the specific needs of our customers." The OF 9-tonne bus chassis, with front-mounted engines, are manufactured at the Daimler India Commercial Vehicles (DICV) plant in Chennai and transferred to the nearby port for onward transport to Egypt. Daimler is moving the chassis using a truck-on-truck method but would not disclose the transport provider. According to Daimler the chassis are similar but modified versions to those used in the medium-duty BharatBenz trucks, which are also produced at the DICV plant in Chennai. This meant that Daimler was able to begin with exports before the bus plant was completed at the Chennai site said the company. Construction of that bus plant, which started in March 2014, is continuing following an investment by Daimler of around €50m. The company expects to begin producing Mercedes-Benz and BharatBenz buses at the plant at the end of the second quarter this year. It will have an installed capacity of 1,500 vehicles per year in the initial phase, and this could be expanded to 4,000 units subsequently. Daimler said it plans to include additional export markets in its sales network at a later date.

PRESS RELEASES

The Grimaldi Group further strengthens its Italy-Greece connections

*(Source: **Grimaldi Group**, 12th January 2015)* The Grimaldi Group further strengthens its Motorways of the Sea network in the Mediterranean with the resumption, as from 16th February, of the direct connection, dedicated to passengers and freight, between Ravenna, Igoumenitsa and Patras.

Departures from Ravenna will be every Wednesday at 12 p.m. and Saturday at 11:00 p.m., with arrival in Igoumenitsa respectively on Thursday at 3:00 p.m. and Monday at 2:00 a.m. and Patras on Thursday at 9:00 p.m. and Monday at 10:00 a.m.. Departure from Patras will be on Monday at 10:00 p.m. and on Thursday at 11:59 p.m., from Igoumenitsa on Tuesday at 5:00 a.m. and Friday at 8:30 a.m., arriving in Ravenna on Wednesday at 8:30 a.m. and on Saturday at 7:00 p.m.

The 2003-built Italian flag ferry Catania will be deployed on this route. With a length of 186 metres and a gross tonnage of 26,000 tons, the m/vessel Catania is able to transport 2,250 linear metres of rolling cargo, 170 cars and 1,000 passengers at a speed of 23 knots, thus guaranteeing not only increased loading capacity but also a fast and efficient service.

The Catania has 93 cabins - divided between internal, external and suites - and 62 comfortable reclining seats. There are many facilities on board, such as a self-service restaurant, a cafeteria, a lounge, video games and slot machines, shops and bars, thus ensuring a pleasant and comfortable journey.

Besides serving the line between Ravenna and Greece, the ferry Catania will also call at the port of Trieste every Saturday. The departure time is scheduled at 1:00 p.m. with arrival in Igoumenitsa on Monday at 2:00 a.m. and in Patras on Monday at 11:00 a.m. This departure will be added to the two departures already offered every Wednesday and Thursday by the Greek ferry operator Minoan Lines, a Grimaldi Group company.

Thanks to these latest enhancements, the Grimaldi Group, through the Grimaldi Lines and Minoan Lines brands, will offer a wide selection of freight and passenger transport services between Italy and the ports of Igoumenitsa and Patras. In total, the Group will offer three weekly departures both ways from North-Eastern Italy (Trieste), two departures both ways from the North-Central Italy (Ravenna), six departures both ways from Central Italy (Ancona) and daily departures both ways from Southern Italy (Brindisi). The weekly loading capacity offered by the Group between the two shores of the Adriatic Sea will be able to meet the needs of the most demanding customers.

Open letter on the Commission proposal for a Regulation establishing a European Fund for Strategic Investments

(Source: CER, 11th January 2015) The undersigned stakeholder associations highlight the important need for investment in transport infrastructure. In the TEN-T Guidelines, the European Parliament and Member States

have agreed on a policy that is to guide decisions as to which transport projects should receive funding as a matter of priority. According to the 2011 Transport White Paper, more than €1.5 trillion will be needed in the period 2010-2030 to develop transport infrastructure to match demand. Therefore, we strongly welcome the initiative of "An investment Plan for Europe" and are ready to support all efforts towards a renewed European economic boost through investments in key infrastructure projects.

Nonetheless, we would like to draw attention to three major concerns we have regarding the current proposal:

- The EFSI budget will drastically limit the CEF envelope for grants.
- Investments under EFSI will not follow the TEN-T priorities for funding of transport infrastructure and the prioritization as defined in the Corridor approach.
- The money transferred to the EFSI is not ring-fenced for transport investments.

Of the €8bn that are to be taken out of the EU budget for the new guarantee fund, €2.7bn are to come from the transport envelope of the Connecting Europe Facility (CEF), in particular from the headings "Removing bottlenecks, enhancing rail interoperability, bridging missing links and improving cross-border sections", "Ensuring sustainable and efficient transport systems" and "Optimising the integration and interconnection of transport modes and enhancing interoperability". This means that the overall sum available for grant funding of transport projects (in non-cohesion countries) is cut by more than 18% by the EFSI proposal. The existing CEF envelopes for financial instruments and transport investments in cohesion countries remain untouched.

Impact of the EFSI regulation on the CEF financial envelope in figures (in euro billions)				
	Before EFSI	After EFSI	Reduction in EUR	%
Transport - non-cohesion funds	14,945	12,245	- 2,700	- 18,10 %
Transport - cohesion funds	11,305	11,305	0,00	0,00 %
Energy	5,850	5,350	- 0,500	- 8,50 %
ICT	1,142	1,042	- 0,1	- 8,8 %
CEF total	33,242	29,942	- 3,300	- 9,9 %

The TEN-T Guidelines defined a stringent methodology for the eligibility and priorities of transport infrastructure. During the past year, the Commission, Member States and infrastructure managers have jointly worked on corridor work plans that are to identify the priority projects with the highest European added value that should thus be the first recipients of EU funding. However, under the EFSI, any European transport project independent of location and mode of transport can receive funding. This shifts the logic away from the carefully chosen transport priorities of the CEF and TEN-T.

Therefore, the reallocation of financial resources from the CEF budget to the EFSI is much more than an attempt to attract new private resources to projects of European economic and social added value. It is, rather, a policy change that must be assessed thoroughly: other projects will be promoted instead of the ones which were identified as a priority by CEF, at the same time cutting the EU spending capacity for grants to projects of the TEN-T network.

Moreover, the EFSI does not ring-fence money for any particular type of investments. Different sectors ranging from energy, to education and health will be competing for financing. The money transferred from the CEF could thus end up being absorbed by other sectors if these are better able to present mature projects with clear revenue streams.

We therefore ask the decision makers in the EU institutions to take into account the concerns of the undersigned, and to ensure that the money dedicated to transport infrastructure in the Multiannual Financial Framework and the Connecting Europe Facility continues to serve the transport objectives defined in the TEN-T Guidelines.

The signatory associations are: Community of European Railway and Infrastructure Companies (CER); European Barge Union (EBU); European Federation of Inland Ports (EFIP); EIM, the association of

European Rail Infrastructure Managers; ERFA - European Rail Freight Association; European Shippers' Council (ESC); European Skippers' Organisation (ESO); European Sea Ports Organisation (ESPO); FEPORT; Inland Navigation Europe (INE); UIP – International Union of Wagon Keepers; International Union for Road-Rail Combined Transport (UIRR) and UNIFE.
Please find ESPO's press release on the same issue in ECG News 15.05.

Independent rail operators forced to rely on court rulings to run efficient train services – this is not the solution to more growth on the railways

(Source: ERFA, 11th January 2015) Recent judicial wins by independent rail operators highlight the need for European rail legislation to support a more dynamic and efficient railway sector.

Two very different court wins by independent operators in January of this year, one by ZNPK in Poland and one by Westbahn in Austria, highlight the vested interest which continues to block new services and growth on the railways.

In one of the cases the Polish holding company PKP SA has been found guilty of withholding public information over the existence of rail infrastructure.

The impact of blocking information on public assets was that independent operators could not use basic facilities essential to rail transportation, as they simply did not know who owned the facilities.

In finding that the PKP holding had no right to withhold the information, the Court ruled that access to information on public property is conducive to the development of competition in the rail market and that it is in the public interest.

ERFA wants to see a fundamental shift in the way the provision of rail services is delivered to reflect the need for a more dynamic, efficient and competitive rail sector.

Rail facilities that are funded with public money and that underpin the provision of basic rail services, i.e. stations for passenger or facilities for loading goods, should not be managed in such a way that they block the objectives of increasing travel by rail.

The need for a change in mind-set is also reflected by the recent court win in Austria, which found the Austrian infrastructure manager guilty of discouraging the provision of long distance rail services.

All long distance train services, regardless of the length of the train, were charged a higher fee for using the passenger stations.

There was no justification for this higher cost to long distance services, other than the fact that the OBB trains run 90% short-distance services, whereas the new independent rail operator, Westbahn, runs 100% long distance services.

At a time when one of the main EU transport objectives is to get more freight and passengers onto trains, easing congestion and harmful pollution from the other modes of transport, ERFA urges EU decision-makers to push through key changes in the 4th Railway Package, which would promote a more independent management of the infrastructure and a more level playing field between all operators.

ERFA strongly believes that it is counterproductive to the EU goal of boosting rail travel for service providers to have to resort to lengthy and costly court proceedings in order to run efficient train services

Mathieu Grosch becomes first President of the Alliance for European Logistics

(Source: AEL, 9th January 2015) The Alliance for European Logistics (AEL), representing the logistics supply chain at the EU level since 2008, announced the appointment of Mathieu Grosch to the newly created role of President.

Commenting on his appointment Grosch said, "The logistics industry is the backbone of the European economy and as such a symbol of the free movement of goods and services, one of the European Union's founding pillars." He added, "I am honoured to become AEL's President, at a time when the logistics sector can make evident its crucial role in helping to keep Europe moving forward and improve our citizens' lives."

Mathieu Grosch, a Belgian national, was a Member of the European Parliament for 20 years during which he played a leading role in several committees and delegations. Most remarkably, he was the EPP Co-ordinator in the Transport and Tourism Committee. He is currently acting as the TEN-T European Co-ordinator for the Orient/East-Med Core Network Corridor.

AEL's Chairman Alexander Kirschall said, "AEL and its members believe that Mathieu Grosch will be a strong asset in our efforts to promote an integrated, long-term EU strategy for logistics, with closer co-ordination between the industry and the EU's policymakers". "He is the missing piece our Alliance needs to take our work to the next level," he emphasized.