



CONTENTS

NEWS FROM BRUSSELS

- Commission launches infringement case on the application of the German Minimum Wage law to the transport sector 2
- EU is failing to take advantage of port and shipping sector potential 2

AUTOMOTIVE INDUSTRY

- Fiat, Renault output in Turkey hit by labour dispute 3

EUROPE

- Valencia ports see major rise in vehicle volumes 4
- Port of Antwerp grants discount for ships with lower particulate emissions 4
- DHL Inside Track to manage Jaguar Land Rover's finished vehicles globally 5

REST OF THE WORLD

- GM forced to stop production in Brazil because of carrier dispute 6

- Hyundai chooses Egypt for Russian-made vehicle exports 6
- India increases number of vehicle importing ports 7

PRESS RELEASES

- CLECAT welcomes EC action against Germany on minimum wage barriers in international transport 7
- ACEA calls on Commission to urgently make complete proposal on measuring Real Driving Emissions 8
- EU adopts world's first test for diesel car emissions 'on the road' 8
- ACEA welcomes Commission's Better Regulation Agenda 9
- ICS welcomes progress on maritime environment issues at MEPC 9
- IMO shelves Marshall Islands' call to set a global CO₂ target for shipping 10
- Oxford researcher wins ITF Award for work on logistics governance 11



Course 10
2015 / 2016

Certificate in Automobile Logistics
Management







ECG Academy Course 10 starts in October.

See the new
brochure here -

Registrations
NOW OPEN!



C.A.R. Control Automotive Risk
Consulting Group



NEWS FROM BRUSSELS

ECG & other industry events

- ▶ ECG Board Meeting and Spring Congress & General Assembly, **on 28-29th May**, in Cascais, Portugal
- ▶ ECG Quality Working Group Meeting, **on 9th June 2015**, in Brussels, Belgium
- ▶ ECG UK & Ireland Regional Meeting, **on 10th June 2015**, in Liverpool, UK
- ▶ Automotive Supply Chain Congress, **on 10-11th June 2015**, in Liverpool, UK
- ▶ ECG Board Meeting, **on 9th July**, in Naples, Italy
- ▶ ECG Land Transport Working Group Meeting, **on 14th July**, in Frankfurt, Germany
- ▶ ECG Eastern Regional Meeting, **on 17th September**, in Istanbul, Turkey
- ▶ ECG Annual Conference, **on 15-16th October**, Vienna, Austria
- ▶ ECG Academy Alumni Meeting, **on 6th November**, Venue TBC
- ▶ ECG UK & Ireland Regional Meeting, **on 12th November**, in London, UK
- ▶ Automotive Supply Chain Global Awards, **on 12th November 2015**, in London, the UK
- ▶ ECG Russia Regional Meeting, **(TBC)**

Commission launches infringement case on the application of the German Minimum Wage law to the transport sector

(Source: European Commission, 19th May 2015) The European Commission decided to launch an infringement procedure against Germany, concerning the application of the Minimum Wage Act to the transport sector. Following an exchange of information with the German authorities and a thorough legal assessment of the German measures, the Commission has sent a Letter of Formal Notice to Germany. This constitutes the first step in the infringement procedure. Whilst fully supporting the introduction of a minimum wage in Germany, the Commission considers that the application of the Minimum Wage Act to all transport operations which touch German territory restricts the freedom to provide services and the free movement of goods in a disproportionate manner. In particular, the application of German measures to transit and certain international transport operations can in the Commission's view not be justified, as it creates disproportionate administrative barriers which prevent the internal market from functioning properly. The Commission considers that more proportionate measures are available to safeguard the social protection of workers and to ensure fair competition, whilst allowing for free movement of services and goods.

What are the next steps: The German authorities now have two months to respond to the arguments put forward by the Commission, in the letter of formal notice. The Commission's letter of formal notice only concerns the specific case of the German law and is without prejudice to further initiatives that the Commission may take to clarify the rules, for example in the context of the labour mobility package scheduled for adoption later this year.

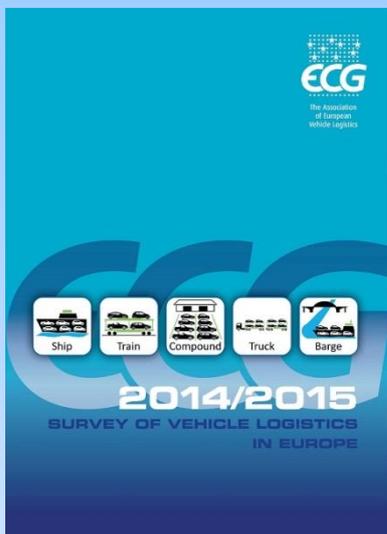
ECG Note: ECG has set up a dedicated [webpage](#) for the German Minimum Wage where it reports on the main developments around this measure that affect foreign road transporters working in Germany. ECG will follow the situation closely and keep its members informed.

EU is failing to take advantage of port and shipping sector potential

(Source: The Parliament Magazine, 18th May 2015) Michael Kramer, the Chair of the European Parliament's Transport Committee writes in the *Parliament Magazine*:

Among the 22 coastal members of the European Union you can count more than 1,200 seaports, with many of them connected and integrated into our coastal towns and cities. As such, the shipping sector plays a significant role in the EU's economy. Ports offer direct employment to approximately 110,000 people, providing indirect support to around three million more. Almost 90% of the EU's external trade is facilitated by seaports, as are 40% of freight exchanges between Member States. Seaports are the gateway for two-thirds of all goods which are imported by more than 60,000 cargo ships from non-EU countries. Over 3.8bn tonnes of cargo are handled in these ports annually. According to economic forecasts, the amount of handled cargo in Europe's ports will see a 50% increase by 2030. These numbers are impressive and showcase the undeniable importance and potential of the shipping sector in Europe. Nevertheless, there are also several challenges regarding the current state of EU seaports which must be addressed in order to make this sector economically and ecologically viable. Today, European seaports often stand in competition with one another rather than in co-operation. This might make sense if you look at seaports individually, but this current state of affairs is in contradiction with the political aim of creating a European transport area that efficiently serves its citizens and society. The distribution of incoming goods could hardly be more disproportional, with approximately one fifth of the total cargo coming into the

Now available! The new ECG Survey of Vehicle Logistics 2014-2015



- Combines global and European data and information on the automotive industry in general, and the finished vehicle logistics sector in particular
- The only publication for the European Vehicle Logistics sector, also covering Russia, Turkey and Ukraine



Find more
information and
order your copy at:

<http://www.ecgassociation.eu/publications/reports/ecgbiennialsurvey.aspx>

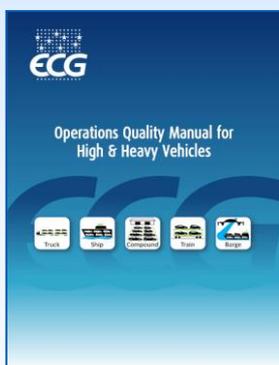
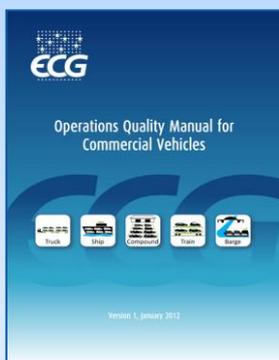
European Union being handled in the Ports of Rotterdam, Antwerp, or Hamburg. This causes longer journeys for sea freighters, with goods then needing to be further transported onshore by trucks and railways en route to far away destinations. This in turn leads to increased congestions on roadways, higher costs for transport and more CO₂ emissions. While there are many ports that have excess capacity and could take on more traffic, ensuring that the delivery of goods is as geographically close as possible to their final end-markets. The current approach undermines the often praised short-sea-shipping strategy by creating a performance gap between ports and leading to asymmetric amounts of investment. Despite container shipping being the most carbon efficient means of transporting most goods across the world, ships are a constant source of noise and pollution. In particular, the ongoing use of heavy oil as fuel for freighters and cruise ships causes bad air and water quality in towns and cities close to seaports. Heavy oil is a hazardous waste derived from raw oil production and should be professionally disposed of. Instead it is burnt as fuel by ships without any filtering. Studies indicate that emissions produced by global sea traffic cause up to 50,000 deaths per year, chiefly along the coastal areas of Europe. We already have an aggregate emission cap for cars and these figures show that we also need one for ships. Improving the environmental performance of shipping is not only important globally, but also represents the interests of inhabitants of our port areas and those employed in ports and shipping. Existing pieces of EU legislation dealing with environmental issues in direct port areas offer a good guideline, but they need to be further enforced and implemented. All these challenges require an intelligent and modern political framework which allows for better co-ordination and co-operation of seaports within the EU in order to reach a more efficient use of existing capacities. We must enhance the cross-border co-operation of ports as well as develop smart concepts for macro-regions such as the Mediterranean sea, the Baltic sea, the North sea and the Black sea, as well as the Atlantic ocean. Europe's geographic situation offers a unique competitive advantage for our seaports. Worldwide there is no comparable economic area, where the conglomeration of seaports and the average distance of ports to final destination markets are as relatively short as in Europe. We have to take advantage of this potential and reconsider transport flows under multi-modal premises with the aim of reducing and avoiding road transport flows through mainland Europe wherever possible. Instead, short-sea-shipping and better developed inland waterways and railways should be the priorities for alleviating freight traffic on Europe's roads.

AUTOMOTIVE INDUSTRY

Fiat, Renault output in Turkey hit by labour dispute

(Source: *Automotive News Europe*, 18th May 2015) Production was halted at Fiat's joint venture factory in Turkey on 18th May as a labour protest over working conditions that hit Renault last week widened. Workers began the protest late on 14th May at Renault's joint venture plant in Bursa. The protest spread to Fiat's Tofas factory. Together the two automakers account for more than 40% of Turkey's annual car output, according to industry data. A statement from Tofas on 18th May said the company had halted production at its plant, also in Bursa, until the labour action is resolved. Tofas said it did not expect the stoppage to affect sales. The industrial action is a potential headache for the Turkish government, which guided the economy through years of rapid expansion but now faces slowing growth and stubborn unemployment as it prepares for a parliamentary election on 7th June. Union officials have said the actions amount to protests, but stopped short of formally declaring strikes. An Oyak Renault spokesman said the protest had reached a point where it posed "a serious danger" to the auto sector. The Turkish Metal Industries Employers' Association and manufacturers in the sector are holding talks to resolve the dispute, he said. The protests highlight

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

what critics call one of the contradictions of Turkey's economic progress - that years of rapid growth have not been accompanied by a significant improvement in working conditions. About 40% of Turkish employees work 50 or more hours a week, the highest among the more than 30 countries in the Organisation for Economic Co-operation and Development (OECD). An improvement in working conditions is necessary for Turkey to move toward a more European-style society, said Halil Karaveli, an academic and the managing editor of *The Turkey Analyst*. "Turkey is second only to China when it comes to work-related accidents. You have an environment where businesses also have to make concessions to labour."

EUROPE

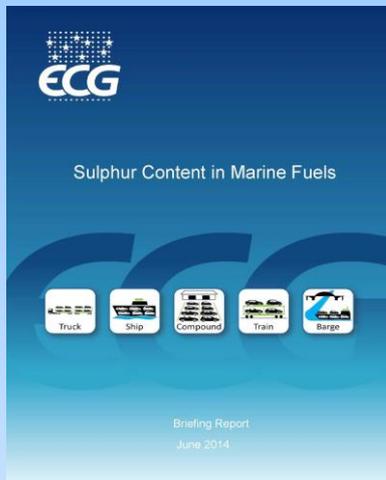
Valencia ports see major rise in vehicle volumes

(Source: *Automotive News Europe*, 18th May 2015) The Spanish Ports of Valencia and Sagunto, which are both administered by Valencia port authority are seeing a significant uptick in the volume of finished vehicle traffic they are handling, helped largely by the expansion of activity by Ford at its plant in nearby Almussafes. In recently released figures, the Port of Sagunto managed to grow its finished vehicles' business by more than 202% in the first two months of this year, registering throughput of 26,688 units. This is a significant recovery compared to 2014 as a whole, when the port reported just 57,779 units handled, a drop of almost 47% on 2013. The recovery is due to two factors. Firstly, to a policy of diversification followed by Valencia port authority, which has seen **Grimaldi Lines**, which carries the lion's share of new vehicles traffic in Valencia, also commence operations in Sagunto. Secondly, to the announcement of Ford at the beginning of the year that it would begin channelling 100,000 export units through the port. The presence of Grimaldi at Sagunto was a major factor in the move there by Ford. Sagunto has also released tonnage figures linked to finished vehicles and components. These show that January and February generated 45,209 tons overall, an increase of almost 124%. Export traffic grew by 157% to 29,625 tons, while imports were up 75% to 16,680 tons. Domestic traffic, too, was up, by 216% to 904 tons. Separately, but also at Sagunto, Transcoma group subsidiary Transcoma Shipping has signed an open-ended agreement with the **Euro Marine Logistics (EML)** shipping line to begin operations at the port. One of the company's Ro-Ro vessels will be deployed on a 15-day rotation out of Sagunto, from where it will steam to Tangier to pick up export vehicles, which it will then distribute at the Ports of Le Havre (France), Zeebrugge (Belgium) and Newcastle (UK).

Port of Antwerp grants discount for ships with lower particulate emissions

(Source: *Automotive purchasing*, 19th May 2015) The port of Antwerp has announced that as of 1st June it will grant a discount to seagoing ships that use alternative technology to reduce emissions of particulates. The new discount comes on top of the existing ESI (Environmental Ship Index) discount, which means that in some cases ships can benefit from a 30% reduction in the port dues that have to be paid whenever they call at Antwerp. With this additional environmental discount Antwerp Port Authority seeks to encourage investments in green technologies for more sustainable shipping, by supporting and rewarding these technology pioneers. The discount is being introduced for a period of three years and will be gradually reduced. Despite all efforts so far, shipping still makes a significant contribution towards local pollution, mainly in the form of SO_x, NO_x and particulates. Various regulatory initiatives to improve this situation have already been taken. One of these is the introduction of standards for sulphur emissions by seagoing ships in the so-called Sulphur Emission Control Areas (SECAs). To meet these stricter standards, ships must either improve the quality

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.

Download your copy from the ECG website!

<http://www.ecgassociation.eu/publications/reports/ecgpositionandbriefingpapers.aspx>

or type of fuel used (for example, by switching to low-sulphur fuel such as Marine Gas Oil or LNG), or must install post-combustion systems (e.g. exhaust gas scrubbers) to reduce emissions to acceptable levels. Most shipping companies have let it be known that they prefer to use low-sulphur fuels so as to comply with the stricter sulphur emission standards in the short term. However, the use of LNG or scrubbers offers better environmental performance than low-sulphur fuel, since in addition to reducing sulphur emissions it also cuts other emissions such as particulates and NO₂. Antwerp Port Authority seeks to attract ships that make use of innovative, sustainable technology, encouraging them to come to Antwerp as the city and its port both suffer from high concentrations of air pollution such as particulates. The Particulates and NO₂ Action Plan for the Port and City of Antwerp brings together the various measures that can be taken to reduce emissions of these polluting substances. The new discount system is one of the measures for tackling the environmental impact which ships have on the air quality in Antwerp. Ships can claim the discount as of 1st June if they can demonstrate that they either make effective use of scrubbers (in closed mode) or are powered by LNG for a period of at least 24 hours before they call at the port of Antwerp. Ships powered by LNG can receive a discount of 20%, while those that make use of closed scrubbers can get a discount of 15%. The percentages will be gradually reduced as of 2016 in order to reward the "early adopters" who make the necessary investment now. The percentages for 2016 are set at 15% and 10% respectively, and for 2017 they will be 10% and 5%. In addition to the particulates discount, more environment-friendly ships in the port of Antwerp have benefited from the ESI discount for some time now. The ESI is based on a system of credits ranging from 0 to 100 that ships can earn for having environmental performance better than required by the regulations for NO_x, SO_x and CO₂. Ships that obtain 31 or more credits can have their bill for port dues reduced by 10%. The ESI system is currently supported by 25 ports and so far has benefited 3,067 ships. The introduction of the new discount forms part of the Port Authority's sustainability policy, one of the main aims of which is to achieve a sustainable shipping industry.

DHL Inside Track to manage Jaguar Land Rover's finished vehicles globally

(Source: *Logistics Briefing*, 19th May 2015) DHL Supply Chain's specialist automotive sales and marketing services business, Inside Track, has been awarded contract to manage Jaguar Land Rover's special finished vehicles around the world. Under the new agreement, Inside Track will manage the movement of around 10,000 finished vehicles in country and across geographies using covered or uncovered road transportation, by rail, by air or sea freight for the automotive manufacturer. The service will support Jaguar Land Rover employees around the world in providing a one stop shop for specialist transportation including product launches, events and exhibitions, research and engineering test vehicles, press and VIP or specialist needs. Based in Alconbury, UK, Inside Track will use its IT platform and five-strong dedicated team to provide the service for Jaguar Land Rover. The platform will capture and fulfil requests and track the current status of each vehicle movement in real time. The IT systems are designed to speed up fulfilment times and provide accurate information on vehicle locations. "We are delighted to have extended our logistics operations with Jaguar Land Rover which dates back over 17 years, said Bill Bacon, Managing Director Automotive UK & Ireland for DHL Supply Chain. "By leveraging DHL's skills in managing 4PL transportation along with Inside Track's finished vehicle sales and marketing sector experience we are able to provide a highly skilled team to manage this service." Inside Track provides a personalised and tailored marketing programme solutions for its customers, including the management of press and VIP fleets, events, experiential launch activations, dealer marketing programmes and sales support to automotive OEM's, their sales organizations, first tier customers and retailers.



Events in Brussels

The Minister of Regional Development and Transport of Saxony-Anhalt organises an event entitled "The European Fund for Strategic Investments and the Trans-European Network – Challenges and opportunities" (in German) on **2nd June**

<http://www.stk.sachsen-anhalt.de/service/sponsoring/fuer-aktivitaeten-der-vertretung-in-bruessel/>

The European Commission's DG MOVE holds the High-Level Conference 2015 on 'A Social Agenda for Transport' on **4th June**

http://ec.europa.eu/transport/media/events/2015-06-04-social-agenda-for-transport_en.htm

The European Road Safety Council organizes the Road Safety Performance Index (PIN) Conference on **18th June**

<http://tinyurl.com/pyfs45w>

Rail Forum Europe organizes a dinner event related to trade and international rail markets, on **14th July**

http://www.rail-forum.eu/wp-content/uploads/2015/05/150505_1_RFE_Press_Release.pdf

REST OF THE WORLD

GM forced to stop production in Brazil because of carrier dispute

(Source: *Automotive Logistics News*, 13th May 2015) General Motors has been forced to halt production at its plant in Gravatai, Brazil because of a dispute with its outbound transport providers Tegma and Transzero over freight costs. The carriers are reported to have stopped picking up vehicles made at the plant forcing it to stop output. However, Tegma insists it has maintained loading procedures at Gravatai and has only been stopped on 13th May because of regional strike action. The dispute had also affected the carmaker's plants at São Caetano do Sul and São José dos Campos but disruption affecting outbound shipments at these two plants has already been resolved. Tegma and Transzero do not supply transport services at those plants. "After reaching an agreement with all carriers in São Caetano do Sul and São José dos Campos, GM regrets the decision of Tegma and Transzero to stop outbound logistics at the Gravatai plant," said the carmaker in a statement. "As we face a difficult situation in the Brazilian market, GM believes we should work together focusing on overcoming the challenges to contribute to the economic recovery. Our common goal, in partnership with suppliers, carriers and union, is to keep the unit operating in three shifts and this unilateral action forced us to stop production. We reaffirm our commitment to continue negotiations on the freight costs and are looking forward to reach an agreement that will not compromise our competitiveness in the Brazilian market." Tegma said that it was "not true that Tegma had paralysed [GM] operations" and said its other operations beyond Gravatai were operating normally. The disruption adds to problems that a number of carmakers are facing in Brazil as the economy declines. Vehicle sales there have dropped by 17% in the first quarter of this year. According to Anfavea, the carmakers' association, in April total vehicle sales, including passenger cars, trucks and buses, fell to 219,252, down 25% on the same month last year. Carmakers, including GM and VW have been cutting back production in response, as well as laying off staff.

Hyundai chooses Egypt for Russian-made vehicle exports

(Source: *Automotive logistics magazine*, 20th May 2015) Korean carmaker Hyundai is planning to launch exports of its Solaris model to Egypt from its St. Petersburg plant in Russia. The move is designed to increase its share in the Egyptian market while also compensating for losses in Russia, which saw a drop in overall car sales in April this year of 42%. Hyundai's choice of Egypt for Russian exports follows earlier reports that the carmaker was looking at the European region. Representatives of the Russian division of Hyundai confirmed that the company has now entered into negotiations with potential partners in Egypt for the launch of supplies. Within the month the company expects to receive all necessary documentation from the Russian authorities to do so. "In late March, the plant submitted an application for a certificate of origin to the Committee on Industrial Policy and Innovation of St. Petersburg," said the Head of the committee, Maxim Meyksin. He said the document granted the right for companies to export outside the Commonwealth of Independent States – including all territory in the post-Soviet Union regions. While Egypt will probably be the first export market for Hyundai cars made in Russia it is not likely to be the only one. A spokesperson for Hyundai Motor Manufacturing Russia said the company was currently working on the development of an export plan, which is expected to be finished by July. Further information from Auto-Dealer-SPb, which is working with Hyundai, suggests that after the launch of supplies to Egypt the carmaker may also look at exports to Finland, where demand is good and logistics spends are low. Hyundai may also look at countries in Eastern Europe and Iran. The overall volume of supplies could reach between 25,000-30,000 cars per year. "Last year, the Hyundai brand became the most popular in [Egypt], as it accounts for about 20% of the passenger car market there, equal to around

ECG Office



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



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



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



Cliona Cunningham
External Relations Manager
T: +32 2 706 8285
cliona.cunningham@ecgassociation.eu



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



Beatriz Peon
Communications and Events Officer
T: +32 2 706 8280
info@ecgassociation.eu

40,000 cars," said the head of Auto-Dealer-SPb, Michail Chaplygin. "The volume of exports in the first stage will hardly exceed 5,000-10,000 cars per year. The current capacity of St. Petersburg assembly allows export of such an amount," he said. In 2014 Hyundai's plant in St. Petersburg made 237,000 cars. Of that number, 26,100 cars were exported to the CIS market outside Russia. The carmaker's largest foreign sales market last year was Kazakhstan, accounting for the great majority at 21,900 cars. The volume of sales on the Russian market last year amounted to 179,631 cars, which is only 0.8% lower than in 2013. The overall decrease of the market size last year was 10.3%, so Hyundai was one of the most successful carmakers in Russia in 2014. However, according to industry experts, despite this success, diversification of export supplies would be profitable for the carmaker, with the devaluation of the Russian rouble and the resulting lower logistic spends being one of the factors. According to Chaplygin, focusing on exports is currently advantageous given the current capacities and employment of personnel at the car plants in Russia. "Foreign assembly plants were designed with a forecast that the capacity of the automotive market in Russia would be within 4-5m cars sold per year," he said. "Now this number is simply impossible to achieve. Therefore, in St. Petersburg, every assembly plant can allocate 10-20% of all capacity for export."

India increases number of vehicle importing ports

(Source: *Automotive Logistics News*, 19th May 2015) The Indian government has increased the number of ports through which finished vehicle volumes can be imported from 12 to 14, with the addition of Kattupalli port and APM Terminals Pipavav. The move follows a notification from the Ministry of Commerce and Industry amending the country's import policy and adding the two ports to the six seaports, three airports and three inland container depots (ICDs) currently permitted to handle imported vehicle volumes. Kattupalli port is located just north of Chennai on India's south-eastern coast, while APM Terminals Pipavav is on the west coast north of Pune. They join Nhava Sheva, Mumbai, Kolkata, Chennai, Ennore and Cochin seaports. Vehicles can also be imported through Mumbai, Delhi and Chennai airports, and through the ICDs at Telegaon Pune, Tughlakabad and Faridabad. According to the Ministry of Commerce and Industry, imports of vehicles to India last year decreased in value to \$2,874m from \$4,476m in 2013. The import duty for importing finished vehicles to India currently stands at 125%. Arun Ram, Senior Manager, Commercial at APM Terminals Pipavav, told *Automotive Logistics* that the imports would amount to a small number of vehicles, mostly models for local testing or upper end brands that are not manufactured in India.

PRESS RELEASES

CLECAT welcomes EC action against Germany on minimum wage barriers in international transport

(Source: *CLECAT*, 20th May 2015) CLECAT has welcomed the recent decision of the European Commission to start infringement proceedings against Germany for the application of its minimum wage law (MiLog) on international road transport operations. CLECAT fully supports the argued reasons from the Commission for this action as the additional bureaucratic burden to the industry seriously undermines the free movement of goods in an internal market.

Nicolette van der Jagt, Director General of CLECAT said, 'we have continued to raise our concern on the German legislation which prevents the internal market from functioning properly. We trust that the Commission and Germany seek to find a solution in this infringement procedure without delay as the current situation raises further questions in the industry. We therefore call for an immediate suspension of all the legislation on all affected international transport operations,



including transports in, to and out of Germany, and not just on transit operations, while the infringement process is underway.'

ACEA calls on Commission to urgently make complete proposal on measuring Real Driving Emissions

(Source: ACEA, 20th May 2015) The automobile industry agrees that a new and fully updated Real Driving Emissions (RDE) test is needed to better measure NO_x emissions of light-duty vehicles under normal driving conditions. The European Automobile Manufacturers' Association (ACEA) is working closely with the European Commission and other stakeholders in the development of a new RDE test procedure. RDE will require manufacturers to make major changes in testing and developing new vehicles. These changes can only be made once there is full clarity on the new RDE evaluation procedure.

On 19th May, Member States [*in the Technical Committee on Motor Vehicles*] gave support to a European Commission proposal for a very incomplete regulation on RDE. This decision is by no means the end of the discussion on RDE, as what was agreed is just a partial set of evaluation conditions for real driving emissions.

ACEA has been calling on the Commission and Member States to agree all necessary RDE evaluation conditions by June-July 2015 at the latest – i.e. those agreed on 19th May, alongside several others that are critical for an effective RDE regulation. In addition ACEA has called for a two-step date framework, which would allow industry the proper lead-time to apply the complex RDE regulation and make very significant hardware changes to future vehicles. These and other issues must be resolved if the new testing conditions are to be implemented by September 2017 - as ACEA has always intended.

Mr Jonnaert, Secretary General of ACEA said: "ACEA calls on the Commission to urgently deliver a complete proposal for Real Driving Emissions by June or July at the latest for a positive decision in the regulatory committee. We need to make more progress on clarifying all testing conditions to ensure a robust RDE regulation could commence from September 2017. Automobile manufacturers remain concerned about the piecemeal approach the Commission is taking in preparing this proposal. This is not smart regulation. We need clarity in advance so that we can plan the development and design of vehicles in line with the new requirements."

EU adopts world's first test for diesel car emissions 'on the road'

(Source: *Transport & Environment*, 19th May 2015) EU regulators have agreed new test procedures that will, for the first time, measure the 'real world' emissions of diesel cars under the Euro 6 air quality standard. It will require vehicles to be tested on roads rather than in laboratories, overcoming obsolete tests and 'cycle beating' techniques used by carmakers to achieve results in tests many times lower than actual air pollution emissions on the road.

Transport & Environment (T&E) welcomed the new test rules, which will be the first regime to measure air-polluting emissions on the road. The next step is for the European Commission and Member States to agree on what the limits for the real world tests will be and from when they will apply, which should be completed by the end of summer.

François Cuenot, air pollution officer at T&E, said: "T&E is delighted that the Commission and Member States have taken this important step to tackle air pollution from diesel. Europe now needs to fully enforce the new rules from 2017 to bring an end to dirty diesels."

The organisation said that the 80 milligram of nitrogen oxide per km limit agreed for diesel cars in 2007 should be met in full. Member states throughout Europe exceed NO₂ limits exacerbating asthma in vulnerable people and shortening life expectancy in polluted places. Member States are relying on the promise of effective real-driving emissions tests to reduce emissions in the future and avoid potential fines for failing to meeting air pollution rules.

The rules were pushed through with strong support from Germany and Netherlands but were opposed by the car industry that unsuccessfully tried to weaken the new test rules.



The continuation of the current weak and ineffective testing regime has seen air pollution worsen with widespread health consequences and the prospect of cities banning diesel vehicles as the only remaining solution.

ACEA welcomes Commission's Better Regulation Agenda

(Source: ACEA, 16th May 2015) The European Commission adopted a Better Regulation Agenda on 5th of May, the aim of which is to improve rule-making at EU level. The European Automobile Manufacturers Association (ACEA) welcomes this step as a continuation of the principles previously laid down in the CARS21 High Level Group and in the CARS 2020 and Industrial Policy Communications.

The European automotive industry is one of the most heavily regulated sectors in Europe with more than 100 EU Regulations and 80 Directives covering the sector's activities. Accordingly, ACEA has long advocated the need for smarter, rather than simply more, legislation.

The European Commission's package focuses on the importance of clarity and of stakeholder involvement claiming that it, "wants to update its law-making practices to ensure that they meet with modern requirements and citizens' expectations for maximum transparency and wide consultation."

The adopted agenda contains a number of features, some of which ACEA has previously called for. These include more robust, independent and wide-ranging impact assessments, greater emphasis on public scrutiny of proposals and the strengthening of the Regulatory Fitness and Performance Programme (REFIT) to better align regulation with overall EU policy objectives.

Speaking after the adoption of the agenda ACEA Secretary General Erik Jonnaert said, "The automotive industry welcomes the Better Regulation Agenda. However, it is important that this agenda is now implemented; sooner rather than later. The principles of smart regulation should be put into practice when new legislative proposals are being drafted."

Mr Jonnaert added, "We have been working with the European Institutions and with other stakeholders on these principles for several years and we are still looking forward to them being applied."

More information on the Commission's Better Regulation Agenda can be found in the official [press release](#) and the [memo](#). Civil organisations, among them organisations related to the transport field, like the European Transport Workers' Federation and Transport & Environment, have launched the '[Better Regulation Watchdog](#)', a network aiming to protect citizens', workers' and consumers' rights.

ICS welcomes progress on maritime environment issues at MEPC

(Source: ICS, 18th May 2015) The International Chamber of Shipping (ICS) has welcomed the progress made, in London last week, by the IMO Marine Environment Protection Committee (MEPC) on several important environmental issues.

Progress on Ballast Water Implementation Problems

The IMO Ballast Water Convention has still not entered into force. While the progress made by IMO to address various implementation problems identified by ICS should help bring the Convention into force sooner rather than later, ICS fears that the unilateral stance taken at the meeting by the United States may actually have the opposite effect.

As requested by the shipping industry in a further submission, IMO Member States built on the progress already made at the previous MEPC in October. ICS believes that shipowners can now have increased confidence that, when the Convention enters into force, ships which have installed 'first generation' equipment in accordance with existing IMO approval Guidelines will not be unfairly penalised. ICS is also increasingly confident that the future IMO type-approval process, for the expensive new treatment systems required, will be more robust as a result of the new IMO Guidelines which are now being developed.

ICS Secretary General, Peter Hinchliffe commented: "The roadmap agreed by IMO Member States shows that at last there is widespread recognition that it is unreasonable to expect shipowners to invest millions of dollars per ship without any certainty that the treatment equipment will not have to be completely replaced in a matter of years, and that ships will not face sanctions due to circumstances beyond their control."



However, ICS fears that the potential impact of the progress made by IMO was partially undermined by the United States placing a formal reservation on the outcome. ICS, supported by other industry associations, therefore made a strong statement at the close of the MEPC, voicing 'dismay' at the United States unilateral stance.

In spite of the progress made by IMO last week, ICS suspects the problems that exist with respect to the separate U.S. approval regime still make it unlikely that flag states which have not yet ratified the IMO Convention will wish to do so in the immediate future, given that shipowners under their flags, which trade to the United States, could still be unfairly penalised.

"The problems created by the unilateral approach of the United States now require a separate pragmatic solution outside of IMO," said Peter Hinchliffe. "The legal obstacles created by the timelines enshrined in the U.S law, and uncertainty as to when the IMO Convention will enter into force, make a solution extremely complex. But in co-operation with other shipowner organisations this will be a priority for ICS in the year ahead."

Progress on CO₂ Data Collection System

ICS feels that the IMO MEPC made good progress on the draft text that will mandate a global data collection system on CO₂ emissions from shipping. This is something which ICS fully supports, provided it is simple to administer and will not ultimately be used to develop a Market Based Measure or some other over complicated mechanism that could lead to serious market distortion.

ICS is pleased that IMO Member States rejected the idea (contained in the unilateral EU Regulation on the reporting of ships' CO₂ emissions adopted by the European Parliament in April) that commercially sensitive data about individual ships should be published.

ICS notes that, while some form of metric to account for 'transport work' in addition to fuel consumption remains on IMO's agenda, this now seems likely to be simpler than the metric contained within the EU Regulation. This is therefore more likely to be acceptable to ICS member national associations, who will review the outcome in detail at a major ICS meeting at the end of May. However, discussion within IMO on this controversial aspect is far from over and will continue at the next MEPC meeting in April 2016.

Mr Hinchliffe commented: "There is still a great deal of uncertainty as to where the issue of CO₂ data collection is leading. The European Commission still appears to see the next step as being to use this data to establish a mandatory operational indexing system that can eventually be used to charge ships money. The fact that commercially sensitive data about individual ships will not be published under the IMO system does not prevent this goal from being pursued. The same applies to the EU system, even if the European Commission agrees to align its system more closely with that eventually agreed by IMO by dropping the publication element, which is by no means certain".

IMO shelves Marshall Islands' call to set a global CO₂ target for shipping

(Source: *Transport & Environment*, 13th May 2015) Regrettably the IMO decided on 13th May that business as usual is more important than agreeing that international shipping must make its fair contribution to combatting climate change. The proposals and procedural excuses at the MEPC in London are evidently more important than heeding to impassioned pleas by the Foreign Minister of the Marshall Islands and the Climate Change Minister of recently cyclone-ravaged Vanuatu that shipping must first agree whether a reduction target is the overall objective.

Of even greater regret is that important European countries – not to mention the US, Australia and Japan – couldn't even bring themselves to mention the word 'target'. Once again it's up to the UNFCCC meeting in Paris at the end of the year to make clear that global action on the climate requires all sectors to act. And the message for the EU is clear.

The IMO continues to fail in its obligations to act. Europe needs to move quickly now and build on its recently agreed ship emission monitoring regulation by introducing measures to require all ships calling at European ports to make their fair reduction contribution.



The Foreign Minister of the Marshall Islands, Tony de Brum, said in introducing the proposal: “After years of fiddling at the edges, 2015 must be the year of action. We present our proposal so that global shipping can be a climate leader. I call on my colleagues here today to join us. With wind in our sails on the road to Paris, we must step forward together to take decisive action for our planet’s future.”

Bill Hemmings, shipping programme manager with Transport & Environment, said: “How incredible! Pacific Island delegations confronted the IMO with the fundamental question as to its relevance on the gravest issue facing mankind.” John Maggs, senior policy advisor with Seas At Risk and president of the Clean Shipping Coalition, said: “Today the Marshall Islands, Vanuatu, and other small island Pacific states brought courage, clarity of purpose and the urgency of the climate change crisis to the IMO, perhaps for the first time. The failure of the IMO to grasp the significance of this moment and make an urgently needed step change in the pace of ship GHG emission reductions was shameful.”

Since Kyoto, IMO has failed to deliver significant progress to reduce greenhouse gas emissions (GHG) from the international shipping sector. Shipping emissions have increased by approximately 70% since 1990 and represented 2.7% of global CO₂ emissions in 2012. If these emissions were reported as a country, maritime transport would rank between Japan and Germany on a table of CO₂ emitters. Under current policies, the IMO’s 2014 GHG study forecasts shipping CO₂ emissions to increase by 50% to 250% by 2050, which would then represent 6% to 14% of total global emissions. While emissions from other sectors have started declining or are looking to peak in 2020, none of the “business as usual” scenarios for shipping foresee a decline in shipping emissions before 2050.

Oxford researcher wins ITF Award for work on logistics governance

(Source: ITF, 18th May 2015) Turkish-born Dr Nihan Akyelken from University of Oxford is the recipient of the International Transport Forum’s 2015 Young Researcher of the Year Award. The Award will be presented during the 2015 Summit of transport ministers in Leipzig/Germany on 28 May, in the presence of ministers from the 54 member countries of the ITF. The award carries a prize of €5,000.

An international jury of experts chose Dr Akyelken for her contribution to developing a conceptual framework for the governance of sustainable freight transport in the age of globalisation. The jury praised the paper for showing “a real new policy dimension” that is “relevant to the policies pursued by International Organisations such as the OECD and the ITF”.

“It is no longer possible to distinguish between logistics and manufacturing systems,” writes Akyelken in her winning paper, together with her associated author Hartmut Keller. “What we see as freight transport is in fact an integrated part of the changing trends of mobility.”

The paper goes on to make a compelling case for an integrated perspective on emerging logistics practices, manufacturing systems and freight transport policy:

Shifts in global production and consumption patterns have wide-ranging economic and environmental impacts, not least on the sustainability of freight transport. The geographical distribution of environmental impacts caused by changing logistics and manufacturing patterns is closely related to the policies in place.

“Firm’s decisions of where to produce and what mode of transport to use are strongly associated with regional and national policies and regulations and global agreements”, Akyelken and Keller emphasise. In fact, policies set by territorial institutions - such as national governments or regional bodies like the EU - play a more significant role than the firms’ own organisational routines.

Therefore, the approach to governance for manufacturing, logistics and freight movements needs to be holistic:

- First, it must look at the supply chain as the unit of analysis, considering the relative importance of institutions, firm behaviour and scale of governance.
- Second, it must involve actors from all levels such as the EU institutions, not only governments and firms.
- Third, it must pay special attention to the design of logistics and manufacturing practices.

“If economically and environmentally sustainable patterns are to be maintained in freight transport, a deeper understanding is required of these new logistics and manufacturing systems,” concludes Dr. Akyelken.

The winning paper can be downloaded [here](#).