

## European Parliament, policymakers, vehicle logistics providers and representatives from ECG – the Association of European Vehicle Logistics meet in Brussels



In a get together at the European Parliament, policymakers, vehicle logistics providers and representatives from ECG – the Association of European Vehicle Logistics, discussed issues regarding the future of the finished vehicle logistics sector, strongly linked to the automotive industry, over-regulation and good and bad practices in a, not always fair, level playing field.

The meeting was a Dinner Debate hosted by **MEP Alexandr Vondra**, titled "Driving the future: the role of finished vehicle logistics in Europe's automotive industry. This is part of what was said on 18 March.

**Frank Schnelle, the Executive Director of ECG**, set the scene, explaining the specialized industry of FVL, transporting cars by ship, rail and road, that 95% of the member companies are family-owned enterprises, well-established in European regions and heavily asset based. But he also stated a difference with other transports.

Frank Schnelle, Executive Director, ECG

*"The trucks and rail wagons used in transportations are constructed solely to transport vehicles. That means we cannot shift to another type of cargo if volume fluctuates,"* said Frank Schnelle, emphasizing the dependence on the stability of the automotive industry. Additionally, the cargo is valuable and transported without packaging, with the risk of damage causing high costs. *"An important message is that the FVL sector is very much linked to the future of the European automotive industry. If Europe wants to maintain the leading role of car production, we must also ensure that the vehicle logistics sector remains robust, sustainable and innovative. We need collaboration between policy makers, OEMs and our logistics providers",* stated Frank Schnelle.

MEP Alexandr Vondra

**MEP Alexandr Vondra** is a member of the ECR Group and the Committee on the Environment, Climate and Food Safety in the European Parliament.

*"The automotive industry was, for almost for a century, a crown jewel in Europe. We were the best. I am not ignorant about the future of the sector, but the reality is that this automotive sector is in crisis. For the past five years I've been in the European Parliament and we had to deal with a Commission which was totally ideologically green driven",* he stated.

Vondra talked about the over-regulated industry in the name of green ideology, killing competitiveness, and the EU being laughed at by the US, China and India. Referring to the proposed Action Plan from the European Commission, about the postponement of fines for OEMs not reaching the emission targets, he said:

*"Some modest changes are promised on the fines, but it's not enough. We need to change the European mindset, otherwise we are lost. We are entering a different international environment. I hate trade wars. I've seen this power play, and it brings a lot of problems. The only solution is to be stronger economically in this battle. We need to gain respect",* Alexandr Vondra said.

**Wolfgang Göbel, President of ECG,** talked about the transport crisis two years ago, how the volumes dropped after Covid, that companies needed to make money to survive and how capacity was reduced, the semi-conductor crisis and the lack of vessels, trucks and compounds in a fluctuating market.

Wolfgang Göbel, President of ECG

– Today we are in a trade war with fierce competition. What we need is support, to be able to be competitive in our sector, to have a certain relief going from a green deal to a clean industrial deal, which requires a pragmatic approach, says Göbel.

*"Regulation should enable, not hinder, decarbonization", he stated.*

Wolfgang Göbel described the current market as partly paralyzed, with volumes not coming back to former levels, emphasized the need of the right products and to be competitive, but also a willingness to change to enable investments in Europe.

*"We need long-term investments", he stated.*

Raluca Marian, IRU

**Raluca Marian represented IRU**, also described as the voice of the transport sector in Europe. She declared her dissatisfaction over the Commissions' Strategic Dialogues with many sectors not invited. She was concerned that only one solution was presented in the strategy – electrification. That electrification might not be the only solution for many companies. She also said that the Commission discussed purchasing mandates, which would regulate the demand.

*"It's not written as such in the strategy, but the Commission is working on a law on greener corporate fleets, which means a mandate by the end of the year. I'm calling the Members of Parliament, because the Parliament is talking about a resolution in reaction to this automotive strategy," she said continuing.*

*"The Commission wants to regulate the demand based on fear. On the fear that there will not be enough buyers, but the conditions are not there, we don't have the infrastructure. We need to set some limits, because it's going far, and we need competitiveness, not only in the manufacturing sector but also in the road transport sector. The problem can only be solved if the conditions are created for the transformation through incentives, building the infrastructure, creating a business case, and not by forcing."*

**Neringa Jasiulionienė, MANVESTA**, explained the problem with the rules regarding the length of vehicle transporters. A topic keeping ECG busy for 10-15 years. The car transporters are built to transport as efficiently as possible.

*"The problem starts on the EU-level when the road transport becomes a road train. The maximum length allowed for road trains is limited to 18.75 metres, but when it comes to the national level we have several lengths allowed within EU, but most countries allow at least 20.75 meters", Neringa Jasiulionienė said, continuing.*

Neringa Jasiulionienė, MANVESTA

*"When planning international trips, we look at what countries we cross, the legislation on maximum length, and calculate how many cars we can load. It's quite complicated but it's working. But we are not operating in a single market. The load factor depends on where we go, which countries we are crossing and where the load needs to go", she said.*

Certain countries are fining companies by applying EU law, 18.75 metres, for international car transports. *"Obviously as carriers we are very concerned about this new trend. It creates a lot of confusion, and the answer is – let's follow EU regulation, that it's a road train and let's not have issues with local enforcement authorities, but it's not as simple as it looks", she explains.*

ECG is advocating for the minimum loaded length of 20.75 metres.

*"A study conducted by ECG shows that if we limit the length to 18.75 metres, for average size cars we're losing 2 cars from each single truck load. If we stick to 18.75, we are limited to 7 cars per load, instead of 9 cars which is possible. It's a quite significant loss", she said.*

She also showed a calculation with data from ACEA of 17.9 million new car registrations in Europe (during 2018): new vehicles currently travel at least once by truck, some of them even two or three times with an average of 1.5 times.

*"Each car ends up on a truck sooner or later. That means a total of 26.85 million car movements a year and 48% of the cars are crossing an international border. That means that 13 million cars are making movements affected by this simple point of legislation", she said.*

Harmonized loaded length at EU level can make a huge difference for millions of movements a year, saving emission, money and creating a single market and legal certainty for carriers operating internationally, she said.

Johannes Alexander Hödlmayr, CEO  
Hödlmayr

**Johannes Alexander Hödlmayr, CEO Hödlmayr** talked about having 600 car carriers and, now, a first electric truck that transports cars 2.5 kilometres between a plant and a compound and the desire to expand the electric fleet in the future, but that there are challenges of the infrastructure, charging points and range of the truck, as well as a need for better batteries, which are not too heavy and affecting the load capacity on the truck because of its size.

**Marcos Duato, Suardiaz Group** said the sector understands the need to decarbonize but there is also a need for targets on alternative fuels.

*"We need alternative fuels in all European ports to be able to refuel and we need you to bring this legislation to IMO level. Otherwise, we risk having nice, modern and extremely fuel-efficient vessels in Europe, while less efficient vessels operate somewhere else. The total*

*effect will be zero despite all our efforts. We must bring that to the IMO. We are only asking for a levying playing field for all modes of transport and trading areas”, he said.*

Marcos Duato, Suardiaz Group

Samuel Nevado, DB Cargo / Transfesa

**Samuel Nevado from DB Cargo / Transfesa**, stated that rail can reduce CO2 emissions by 80%, compared to road and that rail consumes 6 times less energy and leads to less accidents and less emissions in cities. He also stated that one train driver replaces up to 3 truck drivers, which is essential, since in 2028 Europe faces 745,000 unfilled truck driver positions.

Development of international corridors is important, Samuel Nevado states. He emphasized the Rail Initiative from ECG and the necessity in investments; 56% of the FVL wagons are older than 20 years, and 62.5% of them have been in operation for over 30 years.

**Robert Braund, Toyota Motor Europe**, contributed with the OEM perspective, about the automotive sector as being one of the most competitive. That the targets are set, and the challenge is the journey of how to get there. He emphasized that it's not possible to dictate what the customers want and reminded of Toyota's mantra – being on time, in time and every time with a customer vehicle delivery every 6 seconds.

Robert Braund  
Toyota Motor Europe

Filip-Alexandru Negreanu-Arboreanu, DG MOVE

**Filip-Alexandru Negreanu-Arboreanu, DG MOVE**, representing the Commission, declared that the FuelEU Maritime proposal is technology-neutral and does not mandate the use of specific fuels: any fuel mix that reduces the carbon intensity of maritime transport operations will be recognized in achieving the targets set by the proposed legislation.

*"Your request for action at a global level is happening right now in London at the IMO, where a global levy is being negotiated, and we feel there is a possibility to reach an agreement on a high global level."*

Regarding rail he acknowledged the issues identified, among others the Member States authorities managing the capacities, not working in a "European concept way". He also referred to a question from Mr Vondra, why not more transportation on rail?

*"For that we have a proposal in the European Parliament, which is called the rail capacity regulation, which is exactly targeting the way Member States could better co-ordinate the rail infrastructure capacity management", he said.*

Regarding the Weights & Dimensions directive, now being in "first reading position" at the Parliament, waiting for a general approach in the Council, he said:

*"The 'Commission's proposal include what is called the extended loaded length. We do include the use of overhangs that are only allowed when the vehicle is used to carry cars, and we have, I think, operated quite well in developing this mutually beneficial part of the proposal which fully aligns with your demands of harmonization of extra 0.5 metres in the front and 1.5 metres at the back."*

But he also informed about a blockage from two Member States who disagree with the proposal but concluded that he had high hopes for the Polish presidency, and the upcoming Danish one, to work on the file and reach a compromise approach.