CLECAT european voice of freight logistics and customs services •

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MARITIME TRANSPORT

USERS PREPARING DEMARCHE IN SUPPORT OF PORT REGULATION

CLECAT, ECSA and ECSASBA are preparing another joint users demarche towards MEPs in view of the vote in the Transport Committee on the 1st February on the Ports Regulation proposal. It will consist of a joint open letter to MEPs together with a joint voting advice. Members will receive the draft for review early next week.

The amendments to the draft amendments of Rapporteur Fleckenstein are available at HTTP://WWW.EUROPARL.EUROPA.EU/COMMITTEES/EN/TRAN/AMENDMENTS.HTML.

P3 ON SCHEDULE FOR SECOND-QUARTER LAUNCH

The P3 carriers have no plans to adjust the launch date of the proposed alliance despite it coming under scrutiny from regulators.

A Maersk Line spokesman told Containerisation International that the three carriers were co-operating with regulators, and at present still expected the P3 tie-up to launch in the second quarter of next year. The spokesman said: "We are taking the relevant preparatory steps to make it happen, both from a legal standpoint — by co-operating with the regulatory authorities — and from an operational one. "Our ambition is to launch P3 upon regulatory approval and to be ready for launch in the second quarter of 2014. We are not in control of the regulatory processes as we are dealing with sovereign states. At this stage we see no reason to restate launch ambition, but we monitor the processes closely."

Doubts have been expressed about whether the alliance was still on track to launch in the second quarter given the scrutiny it has come under. The European Commission has confirmed that it is reviewing the proposals while Chinese regulators are understood to be examining the P3 Network in detail. The US Federal Maritime Commission has already delayed the effective date of the network in the US by submitting a series of questions to the P3 carriers.

If it had not submitted the questions, the proposals would have become effective in the US on December 8, although the carriers had no plans to actually launch the network until the second quarter of 2014. A new 45-day review period will begin as soon as the carriers submit their responses to the questions.

In a recent interview, AP Moller-Maersk chief executive Nils Andersen remarked that should P3 not get the go-ahead, Maersk Line would revert to Plan B "and continue as we are now".

Earlier this week, the US Federal Maritime Commission held a meeting of regulators from the US, China and Europe to discuss shipping line alliances. Although no conclusions were drawn from the meeting, talks were said to be very constructive, the regulators outlining their regulatory frameworks.

Following the summit, FMC commissioner Richard Lidinsky said: "In my nearly four decades of maritime regulatory experience, I have never witnessed such focus and determination as displayed today by the [European Union], People's Republic of China and US delegations.
"The key focal points included global maritime industry issues such as alliances, agreements, cargo flows, shippers and ports."

As the P3 Network waits for approval, the G6 Alliance of APL, Hapag-Lloyd, Hyundai Merchant Marine, MOL, NYK Line and OOCL is also hoping to expand its co-operation to the transpacific west coast and transatlantic trade lanes. It submitted its proposal to the FMC on December 2 and it will become effective on January 16, unless the FMC submits follow-up questions or moves to block the changes.

German shippers have criticised the proposed P3
In joint comments filed with the US Federal Maritime Commission, the German Shippers Council (DSVK) and the Federation of German Industries (BDI) said that a large majority of its members viewed the P3 plan critically, with fears of a "major deterioration" which on certain routes could lead to "monopolistic market conditions and rising prices for shippers".

In the letter, DSVK Chairman Rudiger Grigoleit and BDI head of department for mobility and communications Ben Mobius said the cost savings that the P3 would generate would lead to a "considerable market shake out" with smaller players forced out. "This competitive advantage could lead to changes in the market and put the P3 in a position to expand still more its dominant market shares," they said.

ASIA-EUROPE MID-DECEMBER GRI LARGELY STICKING – DREWRY

The latest GRI on headhaul Asia-Europe container shipping routes, appear to be largely sticking, according to freight market intelligence consultant Drewry. The Shanghai-Rotterdam Container Freight Rate weekly benchmark, published by World Container Index, slid by less than 2% to US$2,978/feu on 2 January on the previous week.

Drewry said this indicated "that the carriers have been able to sustain most of the gains experienced from the mid-December GRI." It expects the GRI scheduled in January to lift rates further "if supported by a pre-Chinese New Year demand rush."

An analysis of the Shanghai-Rotterdam benchmark in 2013 shows that rates stood at $2,397/feu on 3 January and a year later had risen by over 24%. However, during the intervening 12 months they were subjected to a rollercoaster ride as shipping lines anounced GRIs only to see the resulting gains gradually whittled away in the following weeks and even fall well below pre-hike levels.

On 18 April rates dipped under $2,000 mark for the first time in 2013. More deterioration followed, rates reaching a low point for the year at $990/feu on 27 June. A hefty GRI in early July arrested the decline spectacularly, the benchmark leaping by almost 165% in the space of a week to $2,622/feu. But once again most of the ground gained was lost. A November GRI stopped the slide, around half of the hike sticking and a fresh GRI in December saw rates finish the year just above $3,000/teu.
Lloyds' Loading List Monday, 06 January 2014

ROAD

THE AMENDMENTS FOR THE WEIGHTS & DIMENSIONS DIRECTIVE RELEASED

The amendments for the highly disputed Proposal for a DIRECTIVE amending Directive 96/53/EC of 25 July 1996 were released by the Transport Committee Secretariat this week.

The main points of dispute are on cross-bordering (allowing longer and heavier trucks to cross borders), distance allowed for intermodal/ combined transport (which varies from 150 km to 50% of the journey) and extended accepted length of the truck (none, 15 cm or even 80 cm). Difficult negotiations are expected in the following weeks.

Efforts of industry, including discussions of CLECAT with some influential MEPs, to convince them on the need to submit amendments to the Commission's proposal is clearly noted when reviewing the draft amendments which became available this week.

AMENDMENTS 49 - 365 - MAXIMUM AUTHORISED DIMENSIONS IN NATIONAL AND INTERNATIONAL TRAFFIC AND THE MAXIMUM AUTHORISED WEIGHTS IN INTERNATIONAL TRAFFIC FOR CERTAIN ROAD VEHICLES CIRCULATING WITHIN THE COMMUNITY - PE 524.694V01-00 - COMMITTEE ON TRANSPORT AND TOURISM

CLECAT is in the process of drafting voting recommendations for the vote taking place in February 2014 with a vote in Plenary in April.

Different interests groups have recently issued brochures and leaflets on EMS:
EMS FORUM BROCHURE ON EUROPEAN MODULAR SYSTEMS
An information leaflet produced by the EMS Forum (CLECAT is a member)

SAY YES TO INNOVATION IN EUROPE
An information leaflet produced by TLN (Transport en Logistiek Nederland)

In a brochure published on Wednesday, several rail organisations (CER, UNIFE and the International Union of Railways) express their concern on megatrucks. The paper comes just ahead of the vote on the Proposal for a Directive amending Directive 96/53/EC (Weights & Dimensions directive), which will take place in the Transport Committee on 11 February.

The brochure argues that allowing longer and heavier trucks to cross-border will lead to a higher modal share for road, it raises the effects on CO2 emissions, it lifts the costs of infrastructure enhancement, it has a negative impact on transport safety and the true costs of transport increase even more.

Please see here the PRESS RELEASE and the BROCHURE.

IRU DATA CONFIRMS GLOBAL ECONOMIC RECOVERY

Data from the International Road Transport Union (IRU) shows that after the double dip recession that hit the EU in 2009 and 2012, economic growth seems to be gradually returning, as evidenced by a slight 0.4% increase in tonnes transported in 2013 on the previous year.

The data compares GDP growth, road freight transport volumes and new vehicle registrations in 63 countries on a quarterly basis. A detailed analysis of the latest economic figures show that there is a general upward trend in Europe. However, Europe remains outpaced by BRIC and TRACECA (Transport Corridor Europe-Caucasus-Asia countries, which show better performances in transport volumes in 2013 and are likely to continue doing so in 2014," stressed the IRU's Head of Sustainable Development, Jens Hügel.

BRIC and TRACECA road transport operators carried 5.1% and 3.4% more volume respectively than EU transport operators. These numbers are expected to reach 5% and 3.7% respectively in 2014, while EU transport volumes will increase by only 1.3%. "BRIC and TRACECA governments perfectly understand that systemic innovation and investment in efficient road transport are instrumental in driving economic growth. "They should now build on this success by effectively implementing tried and tested multilateral trade and transport facilitation instruments, such as the UN Harmonization and TIR Conventions, allowing for efficient and secure multimodal international transport," Hügel concluded.

For 2013, the IRU had forecasted stagnation across Europe in 2013 but with slightly positive figures along an arc from Finland to France and contraction gripping Greece, Italy, Spain and Portugal.

NEW GERMAN ROAD TOLL SCHEME IRKS THE COMMISSION

Germany is to introduce for the first time a road tax for cars through vignettes. But the form it will take is still unclear.

Despite recent calls from Commissioner Siim Kallas to drop plans for a road toll discount for Germans, the ruling coalition is determined not to overburden the nation's drivers. Commissioner Kallas said he was open to a certain level of differentiation related to emissions classes. "*But this would have to apply to all cars, regardless of the country in which they are accepted*," said Kallas.

Earlier this week, the German transportation minister Alexander Dobrindt, introduced his latest plan to make foreigners pay more to use German roads. The new plan, would give Germans a tax rebate proportionate to emissions. But it is still unclear how the rebate system could be transferred to foreign car drivers.

Please see the full article at the following LINK.

EUROSTAT UPDATE IN RAIL FREIGHT PERFORMANCE 2012-2013

The decline in rail freight transport performance between 2011 and 2012 could be noticed in a large majority of the Member States: the main exception was Portugal, with an increase of 4.3 % (million tonne-kilometres between 2011 and 2012).

Based on the figures available for the first half of 2013, Spain registered the highest increase (+11.1 % between the first six months of 2012 and the corresponding period of 2013 in million tkm), ahead of Hungary (+ 7.7 %). France (+3.3 %) and Finland (+0.2 %) were the only other reporting countries showing positive year-to-year rises for the first semester of 2013.

The share of rail freight international transport in the various countries is strongly linked to their geographical position within Europe. For the EU-28 as a whole, the share of rail freight international transport could be estimated at around 40 % in 2012, remaining stable over recent years.

Please see more data here.

AVIATION

AIR CARGO CONTINUES MODERATE RECOVERY

The International Air Transport Association (IATA) has released figures showing that freight traffic, measured in tonne kilometres, increased by 6.1% in November 2013 on the same month the previous year. It said November's performance was an improvement on the 4.4% growth recorded in October and continued the positive trend which emerged in 2013.

All regions reported growth with the exception of Latin America and Africa. The strongest performing region was the Middle East where carriers reported a 16.5% improvement. Asia-Pacific carriers, who account for some 40% of the market, reported 4.9% growth, more than doubling the 1.8% growth of October.

Healthy demand, coupled with a slower expansion in capacity, led to the average load factor rising to 49.2%, 0.7 percentage points above the previous November, IATA added. European airlines reported an 8.0% increase in freight traffic, reflecting the region's emergence from economic contraction in 2013. Recovery in the Eurozone however, is likely to remain slow and fragile.

"The November results are encouraging - particularly for carriers in the Asia-Pacific region. This good news is largely being driven by improving economic prospects in China along with an overall boost on Asian trade routes," said Tony Tyler, IATA's director general and CEO. "The uptick is a welcome development in a weak performing market. Overall volumes, when adjusted for seasonality, are still below the peaks reached in 2010 and 2011," he added. Freight traffic for the the first 11 months of 2013 was up 1.4% on 2012 levels.

EP AMENDMENTS ON EU EMISSIONS TRADING SCHEME ("ETS") AVAILABLE

On 16 October 2013, the European Commission introduced a proposal for a Directive amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions (the "Proposal"). This adjustment in the EU legislation would go into effect on January 1, 2014 and follows a recent decision from the International Civil Aviation Organization ("ICAO"). The ICAO's Assembly decided during its 38th Session, held in Montreal from September 24 to

October 4, 2013 (the “2013 ICAO Assembly”) to implement a global market-based measure (“MBM”) for international aviation emissions by 2020.

Under current legislation, all 2013 flights would need to be covered by Emissions Trading Scheme allowances as the "stop the clock" proposal only applied to 2012. Instead, to take account of third countries' perception that the EU was acting extraterritorially, the Commission proposed only including emissions that occurred in European Economic Area airspace. This approach would apply from 2014 to 2020 while, for 2013, flights to and from third countries would be excluded from ETS. Flights to or from lower income countries which accounted for less than 1% of worldwide aviation would be excluded. There would also be exemptions for small operators, reducing the administrative burden substantially without greatly affecting the reductions in CO2 emissions the scheme would produce. In addition, the Commission would be engaging in extensive contacts with third countries to promote an agreement at ICAO in 2016 to apply from 2020.

MEPs recently expressed concern about the frequent changes to the aviation ETS arrangements that had been adopted in recent years. They also emphasised the importance of contact with third countries, including in the context of bilateral agreements, to explain the EU approach and encourage a worldwide solution at ICAO. A global agreement was clearly the best outcome.

The European Commission would like to see its proposal validated by the European Parliament and the European Council by March 2014 in order to provide legal certainty and clarity for aircraft operators.

The Rapporteur Mr Grosch is of the opinion that in the absence of an international agreement, the EU clearly had the right to set rules in its own airspace in the same way that third countries do. Amendments from other MEPs are now also available.

A vote in the TRAN Committee on the following amendments is foreseen for January 21.

Amendments 10 - 72 - Amendment to Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions - PE 526.090v01-00 - Committee on Transport and Tourism

GENERAL

Greece Transport Priorities

CLECAT met this week with the Greek transport attaché on the priorities of the Greek Presidency. The attaché explained that Greece is taking over the Presidency at a very specific time due to the fact that Parliament is changing in May. As a result, there are a lot of files to deal with in relatively little time. There are two types of files, i.e. those who require a single reading and which need to be concluded by March and those requiring a second reading and need to be concluded by February. In terms of the priorities of the Greek Presidency, he outlined the priorities per mode. In the field of **aviation**, the two big priorities are passenger rights and noise. For **road**, an important file is on Weights and Dimensions where the objective is for Council to reach a political agreement by June. In the field of rail, the two priorities are the SHIFT2RAIL and the 4th Railway package where an agreement will be sought on the ERA regulation and Public Service Obligations of railways during the 1st and 2nd half of the Presidency respectively. Moreover, the Greek Presidency will try to reach a compromise with the EP on infrastructure for Alternative Fuels and approve the pending regulations in the field of inland waterways.

Two Transport Ministerial Council meeting are planned on 14 March and 15 June and as is customary, an informal summit be held in Athens on 8 May which will be combined with a Presidency event on road safety, which will take place just before the European Commission's Road Safety day which is planned on the 9 May. Timing is key in any political negotiation and this is the most evident in how Member States have reacted to the lifting of restrictions on cabotage. Many Member States have completely changed their position on the lifting of restrictions on cabotage as a result of the economic crisis as this is deemed to be politically too costly for governments. The same logic has applied when dealing with road user charging.
With respect to the **Connecting Europe Facility**, he explained that many projects will never be implemented due to a lack of co-financing from the Member States. This is especially true for Member States on the EU periphery.
Maritime Policies are high on the agenda as well, but dealt with by a separate ministry in Greece. More details are available on the following WEBSITE OF THE GREEK PRESIDENCY.

SUPPLY CHAIN RESILIENCE

An interesting recent ARTICLE entitled "***Supply Chain Resilience: Diversity + Self-organization = Adaptation***" was published by the US Homeland Security Affairs Journal. It is the result of a public-private process considering supply chain resilience, taking into account the 2012 US *National Strategy for Global Supply Chain Security* and the 2013 *Implementation Update* on the strategy.

FORTHCOMING EVENTS

CLECAT MEETINGS

Customs Institute
- 5 February

Road Institute
- 19 March, Zurich (joint meeting with FIATA)

Security Institute
- **CHANGE:** 6 May (morning)

Air Freight Institute
- **CHANGE:** 6 May (afternoon)

Maritime Institute
- **CHANGE:** 7 May (morning)

Sustainable Logistics Advisory Body
- **CHANGE:** 7 May (afternoon)

- 3rd June, Brussels, Board and General Assembly

European Parliament

Transport Committee

- 9 January 2014
- 20-21 January 2014
- 10-11 February 2014
- 17-18 March 2014

Council

Transport Council

- 14 March 2014
- 5 June 2014

Other events with CLECAT participation

- 29 January – lunch debate European Parliament on sustainable transport
- 30 January, 20th Meeting of the EU-U.S. Transport Security Cooperation Group Brussels
- 31 January, IFT Summit – consultation meeting Paris
- 31 January, JOURNEE INTERNATIONALE TLF
- 4 March 2014, FERRMED Conference: "Efficient multimodal transport in Europe through FERRMED standards' EU Parliament in Brussels
- 6 March 2014, Transport Week 2014, 5-6 March 2014, Gdansk

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