ESC Brussels Update - **November 2012**

'For ESC Members only'

HIGHLIGHTS

MERRY CHRISTMAS and A VERY HAPPY 2013!

BU will be back at the end of January **2013!**

- ***NEW MEMBER: Spanish Shippers Association TRANSPRIME joins ESC : WELCOME!*** *see 3.1 ;*
- ***ESC meets Mr Hololei*** *- the Head of Cabinet of the Vice-President in charge of Transport (see 3.2);*
- ***NOTA BENE:***
  - ***The Christmas cocktail due on 13/12/2012 has been cancelled.***
  - ***The dates of the Modal Councils meetings in 2013 (see 3.9)***

    ATC/MTC on 1st Day; ITC/RTC on 2nd Day

    - *January 22 and 23*
    - *April 16 and 17*
    - *June 18 and 19 (it may be subject to adjustment depending on the day of the celebration event)*
    - *October 15 and 16*

Please note *that TFC will be held on April 18 and 17th October (an earlier meeting may be arranged and info will be sent as soon as agreed).*

Brussels Update: the European Shippers' Council's newsletter. Brussels Update provides a monthly summary of the activity of the European Union in the field of transport, logistics and infrastructures. It offers an overview on the policy and legislative developments as well as short reports on the main institutional events that took place in the EU arena and a list of the most relevant forthcoming appointments. The second part of the newsletter is dedicated to the activities of business actors and stakeholders. When appropriate, Brussels Update will provide comments and views from ESC's representatives, as well as information on ESC's activities (3rd section).

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Section 1 – Regulators:

1.1. Sulphur Directive Adopted by the Council (see also 3.8)

The Council adopted the proposal for a revision of the Sulphur Directive (Directive 1999/32/EC), which transposes MARPOL Annex VI provisions into EU law to ensure coherence with the international commitments. The aim of this Directive is to reduce emissions from shipping due to the combustion of marine fuels with high sulphur content.

http://www.consilium.europa.eu//uedocs/cms_data/docs/pressdata/en/envir/133246.pdf

1.2. Council agrees its position on new rules for the airport slots allocation

On 29 October the EU transport ministers agreed a general approach on proposed changes to the 1993 rules on the allocation of take-off and landing slots to airlines. The proposal aims to make the slot allocation system – which is used only at the most congested EU airports – more efficient, so as to reduce congestion and ensure the optimum use of airport capacity.

The "slots" are permissions to use runways and terminals on a specific date and at a specific time. To cope with the ever-increasing air traffic more efficiently, the member states agreed on a series of measures designed to improve the situation.

Main elements of the agreed general approach

First, airlines will be allowed to sell to other carriers the slots they do not use. Some delegations, though, requested the introduction of safeguards because of concerns about the possible negative impact of such "secondary trading" on less profitable regional flights or about the potential speculative use of traded slots.

Other delegations and the Commission, on the contrary, stressed the need for a uniform application of the system. As a compromise, it has been agreed to allow member states to place temporary restrictions on "secondary trading" if a significant and demonstrable problem with such trading arises. The Commission, however, will have the right to oppose such restrictions.

Second, the member states will be able to introduce charges for carriers that return unused slots to the slots pool when it is too late for re-allocation.

Third, slot coordinators' independence and their cooperation will be strengthened, while the process of slot allocation will be made more transparent.

Fourth, the Single European Sky network manager will be associated with the allocation process. This will make it possible to take into account the impact of allocations made at a particular airport upon the whole European air traffic network.

As regards the "use it or lose it" rule applied to the allocated slots, the Council's general approach maintains the current system, under which an airline must use 80% of its allocated slots in order not to lose the slots in the next season.

The Commission, however, believes it is necessary to increase the usage rate requirement to 85%. Most member states, on the contrary, consider that the airlines need more flexibility, in particular to avoid empty flights being operated only to secure the entitlement to the slots.

The slot allocation proposal is part of three draft laws that together make up the "airport package". The other two proposals are on improvements in ground handling services and on operating restrictions at airports intended to reduce aircraft noise.

Source: Council.

1.3. November infringements package: main decisions by the European Commission on Transport

- **Transport: Commission asks Bulgaria, Cyprus and Portugal to adopt national measures on Intelligent Transport Systems**

The European Commission has today requested **Bulgaria**, **Cyprus** and **Portugal** to take further measures to facilitate the deployment of intelligent transport systems (ITS). Directive 2010/40/EU supports the deployment of Intelligent Transport Systems in road transport and for interfaces with other modes of transport. The Commission adopts specifications to ensure compatibility, interoperability and continuity in the deployment and use of ITS. The three Member States have not fully transposed this directive into national law, although they were required to do so by 27 February 2012. According to the directive, Member States shall ensure that the specifications adopted by the Commission are applied to ITS applications and services, when these are deployed. The lack of timely transposition of the Directive could undermine the effectiveness and the timely application of these specifications. The Commission's request takes the form of a reasoned opinion under EU infringement procedures. If these Member States fail to inform the Commission within two months of the measures they have taken to ensure full compliance with EU law, the Commission could refer the cases to the European Court of Justice.

- **Rail transport: Commission asks France to transpose EU legislation on rail interoperability regarding Channel Tunnel**

The European Commission is asking **France** to bring its national rules into line with Directive 2008/57/EC on railway interoperability, especially regarding the Channel Tunnel. The legislation aims to achieve interoperability within the European rail transport system and to enable the rail sector to compete more effectively with other transport modes. The legislation should have been in place since 19 July 2010. If France fails to react satisfactorily, the Commission may refer the matter to the EU Court of Justice. The Commission opened infringement proceedings against France on the matter in June this year, and a reasoned opinion (the second stage in EU infringement proceedings) is now being sent. France has two months to reply to the Commission. In the absence of a satisfactory response from France, within two months, the Commission may refer the case to the European Court of Justice.

- **Transport: Commission requests Germany to notify measures for transposition of EU rules on insurance of ship-owners for maritime claims**

The Commission has today requested **Germany** to notify the national transposition measures on insurance of ship-owners for maritime claims. Member States had to transpose EU rules obliging ship-owners, from 1 January 2012 onwards, to hold sufficient insurance cover for their ships in the EU. Contrary to its obligations, Germany did not notify any legal instruments transposing the Directive to the Commission. The obligation to have insurance guarantees better protection for victims, helps eliminate substandard shipping, and re-establishes competition between operators. In the absence of a satisfactory response from Germany, within two months, the Commission may refer the case to the European Court of Justice.

Source: European Commission, 21/11/2012

1.4. The 2013 budget should support growth and jobs, according to MEPs

Getting agreement on EU's annual budget for 2013 is not going to be easy. In the wake of the shortfalls in 2012 budget, negotiations between Parliament and Council on 2013 budget collapsed in mid November and negotiations will have to start anew on a fresh Commission proposal to be unveiled 23 November . MEPs insist the budget must support growth and jobs, warning EU governments not to make any unnecessary cuts and thus undermine investment that could help the EU get out of the crisis.

The Parliament decides on the EU budget together with the members states. This means that the EU budget cannot be adopted without the consent of MEPs.

SOURCE: European Parliament 21/11/2012

1.5. COMMISSION SEEKS FORMAL EXPLANATIONS FROM SPAIN ON CHANGES TO AIRPORT CHARGES

Today the European Commission has formally asked Spain to clarify how airport charges have been modified at airports operated by AENA Aeropuertos. The decision to send a letter of formal notice has been taken following the reception of several complaints asserting that the European Directive on airport charges has not been respected.

The EU rules
The Directive on airport charges, adopted in 2009, lays down minimum requirements for how airport charges are calculated and for consultation between airports and airport users (airlines) before charges are changed. The Directive also obliges airports to provide sufficient information on the costs to airport users. Member States are required to set up an independent supervisory authority to arbitrate disputes between airports and airlines over airport charges and to help ensure that the Directive is properly implemented.

The reason for lodging a formal complaint
The Commission has received a number of complaints from airlines and associations representing the

aviation and travel industry. According to these complaints, airlines were not properly consulted over changes to airport charges which took effect in July 2012. Whilst the changes have brought about modest increases at some smaller airports, the passenger charge payable by airlines at Madrid's airport has doubled. A similar increase has occurred at Barcelona's airport.

The passenger charge is intended to cover the cost that the airport bears for providing terminal infrastructures to serve the passengers. For the airlines serving the two airports mentioned, the increase of the charges is significant. As a consequence airlines might be discouraged from serving the two airports. The Commission is therefore seeking further information to ensure that the changes were justified on the basis of the costs for the airport.

Furthermore, the Commission would like to ensure that Spain has put in place the independent supervisory authority as requested by the Directive.

The first step of the infringement procedure
The Commission is sending a letter of formal notice to Spain today. The letter provides full details of the matter and invites Spain to submit its observations within the next two months.

Source: European Commission, 21/11/2012

1.6. Transport: New portal on Trans-European Network with dynamic maps

The European Commission is launching today a public portal allowing citizens and businesses to access up to date information on the advancement of the Trans-European Transport Network (TEN-T) through satellite-based dynamic maps, facts, figures and various audio-visual and interactive elements. In practice, it will allow users to see the live development of the TEN-T network in the region of their interest.

Vice-President Kallas, the Commissioner responsible for Transport welcomes the new portal: "*The Trans-European Transport networks are the key infrastructure links to ensure our goods can flow and people can travel smoothly through Europe. This new tool allows everyone to see how he can benefit from the connections financed with the help of the EU budget*."

A unique tool

The TENtec Information System is supporting a fact-based policy-making of the Commission's proposals on the TEN-T Guidelines and the Connecting Europe Facility. Both proposals will provide an optimised European transport infrastructure for the free movement of people and goods in the future and improve the competitiveness of the EU. The TEN-T Guidelines define the TEN-T network, existing and planned until 2030/50, whereas the proposed Connecting Europe Facility determines the financial instruments and the EC's budget available in the coming financial cycle 2014-2020 to implement the network. The Public Portal provides direct access to further information on these subjects.

The Public Portal uses up-to-date geographic, technical and financial data as a basis for its summaries to inform citizens and businesses of key-developments on the TEN-T network.

This public outreach is a useful instrument providing a more timely and comprehensive overview on the TEN-T and aims to raise citizens' awareness of its benefits and objectives, i.e. a clean, safe and efficient travel throughout Europe. Zooming in, for instance, on a TEN-T section in a given region or even local area was a feature requested by many stakeholders which is now available and accessible to all. It is open to all persons from the EU and beyond. Moreover, TENtec enables the Commission to automatically compile information and create timely reports.

How it works

The TENtec Information System is an IT development which is user -driven

Among its most important features, TENtec:

- Stores and manages technical and financial data for the analysis, management and political decision making of the TEN-T programme.
- Acts as a bridge to Members States ministries and other key-stakeholders (European Investment Bank and some European neighboring countries).
- Provides support for modeling future policy and budgetary scenarios, interfacing with GIS, monitoring and reporting the electronic submission of applications and online conduction of surveys. GIS refers to the Geographical Information System, which is used in TENtec for programming and displaying the maps.
- Manages the necessary workflows to issue Commission decisions, the complete selection cycle for new projects including proposal submission and reception, and the required web interfaces (Private- and Public Portal as well as general web services to connect external data sources).

More information http://ec.europa.eu/transport/infrastructure/tentec/tentec-portal

SOURCE: European Commission

1.7. Transport infrastructure: Commission releases over €1.2 billion to fund key TEN-T projects

The European Commission has launched two Calls for Proposals under the 2012 Trans-European Transport Network (TEN-T) multi-annual and annual programmes, making €1.265 billion available to finance European transport infrastructure projects in all transport modes – air, rail, road, and maritime/inland waterways – plus logistics and intelligent transport systems, and all EU Member States.

Commission Vice President Siim Kallas, responsible for transport, said: *"In making this considerable amount of funding available, the Commission aims for a competitive relaunch of the European economy, to sustain and support growth. By directing this money to TEN-T infrastructure, we are also continuing to help the realisation of the entire TEN-T network – bringing a tangible benefit to all European businesses and citizens who will reap the rewards of a more efficient, sustainable and effective European transport system."*

The TEN-T multi-annual programme traditionally finances the highest priorities of the TEN-T network. This year's multi-annual call focuses on six fields with €1.015 billion of total indicative budget available:

- The 30 TEN-T Priority Projects: indicative budget €725 million

- European Rail Traffic Management Systems (ERTMS), enabling interoperability on the European rail network: indicative budget €100 million
- River Information Services (RIS), involving traffic management infrastructure on the inland waterway network: indicative budget €10 million
- Air Traffic Management (ATM), implementing the Single European Sky and ATM modernisation objectives: indicative budget €50 million
- Motorways of the Sea (MoS) providing viable alternatives for congested roads by shifting freight to sea routes: indicative budget €80 million
- Intelligent Transport Systems (ITS), including the European Electronic Toll Service (EETS), promoting inter-modality and improvement of the safety and reliability of the network: indicative budget €50 million

The annual programme complements the multi-annual programme and directs funding to four distinct priorities with a total indicative budget of €250 million:

- Acceleration/facilitation of the implementation of TEN-T projects (studies and works for mature projects for all modes, as part of the projects of common interest): indicative budget €150 million
- Measures to promote innovation and new technologies for transport infrastructure and facilities contributing to decarbonisation or the reduction of external costs in general: indicative budget €40 million
- Support to Public-Private Partnerships (PPPs) and innovative financial instruments: indicative budget €25 million
- Support to the long term implementation of the TEN-T, in particular corridors: indicative budget €35 million

The deadline for the submission of proposals is 28 February 2013. *Source: European Commission*

1.8. Safer vehicles through international harmonization

The European Commission has today agreed with international partners on new internationally harmonised rules on Advanced Emergency Braking Systems (AEBS) and Lane Departure Warning Systems (LDWS) for commercial vehicles. EU legislation already sets out dates for the obligatory introduction of these safety enhancing technologies in the EU. To promote safety internationally and help the European automotive industry export trade, it is important that these systems are based on globally harmonised standards. At the United Nations' World Forum for Harmonization of Vehicle Regulations, the Commission actively contributed to these and other measures, including the adoption of rules for a new generation of Child Restraint Systems (CRS) called "i-Size" and rules covering the safety of batteries fitted in electric vehicles. The inclusion of these measures in the United Nations' International Agreement on vehicle construction will ensure that the same requirements are adopted not only by Europe, but also by other countries such as Japan, Russia and South Korea, hence reducing market entry barriers and facilitating trade between major automotive markets. **Background:**

Advanced Emergency Braking Systems (AEBS): AEBS involves employing sensors to alert the driver when a vehicle is coming too close to the vehicle in front. If the driver does not react in time, the system automatically triggers emergency braking to prevent or reduce the impact of a collision. Such systems are particularly effective in situations where, for example, a heavy vehicle is approaching the rear of a traffic jam and its driver does not react in time or at all.

Lane Departure Warning Systems (LDWS): LDWS assist drivers in keeping to their lanes by emitting a warning when the vehicle is in danger of leaving the lane unintentionally, a situation mainly due to lack of driver attention. These systems are particularly useful in avoiding accidents caused by heavy duty vehicles leaving their lane, a major cause of casualties on motorways.

Child Restraint Systems (CRS): The new measures aim to make sure that the new generation of child seats are compatible with and have seamless integration to modern cars. The new child restraint system, called "i-Size" will no longer confuse parents with difficult weight classes, but offer a simple choice between different sizes, similar to how one would select a piece of children's clothing. Children will no longer be put at risk by the early use of forward facing seats, as child seats will be rear facing up to 15 months of age. Finally, the new child seats will offer better protection during side collisions.

Safety requirements for batteries fitted in electric vehicles: Batteries installed in electric vehicles may be exposed to severe conditions such as strong vibrations, sudden changes of temperature, or even crashes, with the consequent risk of battery deterioration and possible impact on passenger safety. In order to address these concerns, a new set of tests has been developed to simulate certain situations which may appear during actual driving, such as crashes, external fires or a short-circuit (IP/10/260).

United Nations Economic Commission for Europe (UNECE): Global technical harmonisation is a key factor in strengthening the competitiveness of the European automotive industry world-wide. The more we regulate at UN/ECE level, the better for European industry and the less EU legislation is needed.

The EU is a Contracting Party to the UN's 1958 international Agreement on vehicle construction. This Agreement has currently 50 Contracting Parties (including the EU, Japan, Russia and Korea) and 127 annexed Regulations. The Regulations cover the approval of vehicles' safety and environmental aspects and are managed by the World Forum for Harmonization of Vehicle Regulations, a permanent working party of the UNECE. The Commission and Member States take part in the technical preparatory work of the Forum and the Commission exercises the right to vote in the Forum on behalf of the EU. *Source: European Commission - Brussels, 14 November 2012*

1.9. SINGLE EUROPEAN SKY: MEMBER STATES FAIL TO REACH KEY DEADLINE TO ACHIEVE MORE EFFICIENT EUROPEAN AIRSPACE

Many Member States are seriously lagging behind and not yet fully compliant with requirements to make nine Functional Airspace Blocks (FABs) fully operational, for the deadline of 4 December 2012. A critical deadline has been missed for FABs, the regional airspace blocks which are a key element for the ambitious plans to create a single European airspace – tripling European airspace capacity and halving air traffic control costs. The Commission warned today that it will launch infringement procedures against Member States for all the Functional Airspace Blocks (FABs) which are not yet fully compliant with all legal requirements. It will also present a new package of legislative measures in Spring 2013 to accelerate reforms and ensure the full delivery of a Single European Sky.

Inefficiencies caused by Europe's fragmented airspace bring extra costs of close to €5 billion each year. It adds 42 kilometres to the distance of an average flight, forcing aircraft to burn more fuel, generate more emissions, pay more in costly user-charges and suffer greater delays. The United States controls the same amount of airspace, with more traffic, at almost half the cost.

Commission Vice-President Siim Kallas, responsible for transport, said: "We will take every possible action to make *the Single European Sky a reality. The costs of congestion and delays in the air are paid for on a daily basis by European citizens and business when the fly. Add to that the cost to the economy in lost efficiency and the environmental price we pay and it is clear that the Single European Sky is too important to be allowed to fail. At a time of economic crisis we cannot afford to live with the status quo. Right now the implementation of the reform of Europe's airspace is falling seriously behind. FABs are the cornerstone of the Single European Sky infrastructure and a critical deadline has been missed. There is no other option but to strongly enforce EU law."*

2012 is a critical year for the Single European Sky SES, with four key deliverables including nine Functional Airspace Blocks (FABs) to be operational by December 2012

According to EU legislation, Functional Airspace Blocks (FABs) had to be implemented by 4 December 2012. A total of 9 FABs covering the whole EU plus 4 more States (Bosnia Herzegovina, Croatia, Norway, Switzerland) have been established, which represents significant progress. On the other hand, these FABs are not yet genuinely "functional" as they still follow national borders or have not yet optimised their air navigation services, or both. The main cause of this shortcoming has been a protracted focus on finalising institutional issues rather than on identifying and actioning operational improvements and undue protection of national interests.

Background:

The Single European Sky (SES) is a flagship European initiative to reform the architecture of European air traffic control, to meet future capacity and safety needs. Building on initiatives in the late 1990s, the Single Sky I (SES I) package was adopted in 2004, the Single Sky II Package (SES II) was adopted in 2009.

- With full implementation of the SES:
- Safety will be improved by a factor of ten;
- Airspace capacity will be tripled;
- The costs of air traffic management will be reduced by 50%;
- The impact on the environment will be reduced by 10%.

Why we need fully functional FABs

The market opening of the EU's aviation market in 1993 made travel much more accessible and affordable and has stimulated growth in air services. Since then, traffic has increased by 54%.
The constraints on airspace capacity in Europe have resulted in more delays. Delay is not only due to a shortage of capacity; it is also caused by the fact that air traffic control in Europe is fragmented and inefficient. Airspace is currently structured around national boundaries and so flights are often unable to take direct routes – which would save fuel, reduce costs and be better for the environment.
To make a comparison, in an airspace which is roughly the same size, Europe has more than 30 en-route air navigation service providers and the USA has just one; the USA serves twice as many flights as Europe with

the same costs.
A FAB is a part of the sky where national borders have been removed. It can be thought of as a single airspace, just as the single market in the EU allows EU citizens to travel, live and work freely anywhere in the EU. By enabling aircraft to fly without dealing with border crossings, and thus also less efficient national arrangements, FABs will enhance safety. By enabling aircraft to fly straighter lines at better altitudes, FABs will save fuel and reduce delays. By unifying Europe's sky and consolidating its services, FABs will reduce the environmental impact of aviation and reduce the cost of flying to the tune of billions of euros annually.

Next Steps: The European Commission will proceed shortly by sending letters of formal notice to all parties concerned. *Source: European Commission*

1.10. MEPs oppose liberalisation of ground services at airports

European Parliament's transport committee have rejected a European Commission proposal to open up ground–handling services to greater competition. During the meeting on 6 November MEPs cited fears that this could lead to lower wages for workers without seriously improving service quality in return. Members also voted to preserve local communities' say over airport noise restrictions and improve the way slots are allocated at airports, which are all part of the same airports legislative package.

Groundhandling services

Airlines can currently choose from at least two ground service providers at each airport, but the Commission wants this to be at least three as it believes it would improve the efficiency and quality of these services.

In a tight vote MEPs supported the position of airport ground workers and baggage handlers, who the day before had protested in Brussels against the liberalisation, saying it would worsen working conditions.

Georges Bach, a Christian Democrat MEP from Luxembourg, said: "Further liberalisation and more providers won't automatically result in better service quality or efficiency. Contrary, the pressure will increase on workers, inevitably leading to wage dumping."

The rejection was supported by the S&D, Verts/ALE and GUE/NGL political groups as well as by some EPP members. By doing so, they went against the recommendation of Artur Zasada, who in his report supported liberalisation.

Airport noise

Two other pieces of the airports package survived the committee vote, albeit with important modifications.

MEPs voted to ensure that the Commission cannot overrule local authorities' decision to impose restrictions on airport noise, provided they respect the interests of local residents and all stakeholders.

Jörg Leichtfried, a Social Democrat MEP from Austria who drafted the recommendation, said: "It is important to strengthen the role of citizens and take into account the health aspect. We set the mediation process as a problem solving method between airports and their neighbours. The Commission wanted to have a right to suspend operational restrictions negotiated with citizens – that is now off the table."

However, not all members agreed. Eva Lichtenberger, a Green MEP from Austria, said that the changes still allow the Commission to intervene to oppose operating restrictions at airports. "For example, airports that want to introduce night time flight bans, which are clearly in the interests of local citizens, could be challenged by the Commission," she said.

Allocation of airport slots

MEPs also backed improvements to the system of allocating airport slots, which are the permissions airlines need to land or take off at an airport at a specific time and date.

They supported allowing airlines to directly buy and sell slots to and from each other as well greater independence for slot coordinators. However, they rejected a Commission proposal to take away a slot from an airline if it is used less than 85% of the time. This currently happens if it is used less than 80% of the time.

Instead they backed the idea of financial sanctions. "If, as expected, the air traffic is due to significantly increase, any delay in returning a slot or worse to leave it unused should be punished financially or eventually by withdrawing the allocation," said Italian Liberal Democrat MEP Giommaria Uggias, who drafted the recommendation.

Next steps: MEPs will vote on the transport committee's recommendations during the plenary session in December. *Source: European Parliament*

1.11. Stopping the clock of ETS and aviation emissions following last week's International Civil Aviation Organisation (ICAO) Council

EU Commissioner for Climate Action Connie Hedegaard said:

"The EU has always been very clear: nobody wants an international framework tackling CO2-emissions from aviation more than we do. Our EU legislation is not standing in the way of this. On the contrary, our regulatory scheme was adopted after having waited many years for ICAO to progress. Now it seems that because of some countries' dislike of our scheme many countries are prepared to move in ICAO, and even to move towards a Market Based Mechanism (MBM) at global level.

Very good news came from the ICAO Council last Friday. Among other things, it was agreed that:

- *A high level policy group will be set up shortly*
- *Options for a regulatory MBM will have to be reduced from three to one.*
- *And there is an explicit reference to the global MBM that the world now needs to agree on.*

In short, finally we have a chance to get an international regulation on emissions from aviation. This is a long sought for opportunity that we must use. This is progress! But actually to get there, a lot of tough negotiations lie ahead of us.

In order create a positive atmosphere around these negotiations, I've just recommended in a telephone conference with the 27 Member States that the EU "stops the clock" when it comes to enforcement of the inclusion of aviation in the EU ETS to and from non-European countries until after the ICAO General Assembly next autumn.

But let me be very clear: if this exercise does not deliver – and I hope it does, then needless to say we are back to where we are today with the EU ETS. Automatically.

So we are creating this window of opportunity, this great chance. I can only recommend to all Parties to engage urgently in taking this issue forward. Now it is the time for paving the way for strong decisions to be taken by the next ICAO General Assembly. The European Union will engage fully and will work closely with the ICAO leadership. We are convinced others will do as well."

Stopping the clock for one year

Based on the encouraging results of the ICAO Council meeting 9 November – and the constructive engagement of our international partners in the relevant discussions – the EU is convinced that a global solution for addressing the fast growing aviation emissions from international aviation is within reach at the upcoming ICAO Assembly in 2013. As a gesture of good faith the EU will "stop the clock" on the implementation of the international aspects of its ETS aviation by deferring the obligation to surrender emissions allowances from air traffic to and from the EU by one year. This means that the EU would not require allowances to be surrendered in April 2013 for emissions from such flights during the whole of 2012. The monitoring and reporting obligations will also be deferred for such flights. The obligations relating to all operators' activities within EU will remain intact and compliance with the EU law will be enforced in this respect.

"Stopping the clock" creates space for the political negotiations and demonstrates confidence on the side of the EU that together with international partners we will succeed in ICAO to agree on meaningful international action. This means the ICAO process is allowed time until the 2013 Assembly in September/October next year and that no compliance will be expected as regards air traffic outside the EU in the interim.

It goes without saying that in the unlikely event of the ICAO Assembly failing to move forward the EU ETS legislation would be applied in full again from 2013 onwards.

Background

The EU's Emissions Trading Scheme (EU ETS) was established in 2003 by Directive 2003/87/EC and started operation on 1 January 2005. Initially the EU ETS included only land based industrial installations. From 1 January 2012 aviation activities of aircraft operators that operate flights arriving at and departing from Community aerodromes will also be included in the scheme for greenhouse gas emission allowance trading within the Community. The legislation covers 30 States including the 27 EU Member States and Norway, Iceland and Liechtenstein. Source: European Commission, 12/11/2012

1.13. EVENTS

Past events (as announced in the October Brussels Update)

- 05/12/2012

  Conference on fair and efficient road pricing

- 27/11/2012

  First Transport Business Summit: "Connect to Compete"

- 22/11/2012 - 23/11/2012

  e-Maritime Annual Conference 2012: Connecting the maritime world - towards 2020

Section 2 – Business:

MARITIME

2.1 Freight rates slip again – which could cost Maersk some $1.8bn

The Shanghai Container Freight Index measuring spot rates on the Asia-North Europe trade fell once again last week, almost completely wiping out the gains made since the 1 November general rate increases.

Last week, the rate declined 12% from the week ending 16 November, settling on $1,079 per TEU, down $146 from $1,225. The fall is especially precipitous given that for the week ending 9 November, following the application of the November GRIs, the SCFI stood at $1,491 per TEU – meaning that rates have declined by 27.5% in the space of just three weeks.

According to new research from Credit Suisse, freight rate movements of this degree will have a serious impact on the world's largest container shipping line, Maersk, as it strives to return a profit for the 2012 full year. In a long and thorough research note seen by The Loadstar, Credit Suisse analysts claimed that a $200 per 40ft movement in freight rates has a $1.8bn impact on the line's annual revenues, before it has been able to take any "reactive measures".

"Maersk Line surprised positively in 3Q given aggressive capacity management as it returned vessels to charterers. However, headwinds globally, and on Asia-Europe in particular (where oversupply may run to 17%), are likely to constrain Maersk Line's recovery attempts in 2013. Recent rate hike attempts do not appear to be working, per latest Shanghai data, and we anticipate market sentiment will turn negative towards the container business again as visibility firms up on a challenging 2013," it said.
One of the company's problems is that it has let itself become too focused on the Asia-Europe trade, which is clearly suffering badly. While Maersk has a global share of the container shipping market of 16%, its market share on Asia-Europe is almost double that, at 29%, meaning that its financial performance is more closely linked to the performance of the most volatile trade in liner shipping – the trade has accounted for 37% of the line's volumes this year.

Credit Suisse is forecasting the line to make a net operating profit after tax (Nopat) of $295m, and said that if it can continue to show the strict discipline regarding capacity and pricing that is has shown in the past few months – the wild swings of the SCFI notwithstanding – it has forecast a Nopat of $329m in 2013.

And yet the prospects for next year look, if anything, worse. Around 1.3m teu of capacity is due to be delivered over the course of the year, representing about 10% of the current global fleet – and 17% growth of capacity on the Asia-Europe trade – while Credit Suisse estimates that demand will grow 5% globally. It further suggests that delivery slippage – by which lines delay delivery of vessels from shipyards – and scrapping will mean that the actual fleet growth may be more around the 8% mark, meaning a net growth in supply of 3%.

"These capacity headwinds mean it looks challenging to protect rates into 2013 and we model a slight decline of 1% following an average of 2% growth in 2012. We expect year-on-year weakness to manifest in 2Q13 as the most challenging quarter in terms of tonnage delivery, beyond easy year-on-year rate comparisons in 1Q13," it said.

Maersk itself is due to take delivery of 10 vessels next year, including the first four of its Triple-E class.
In fact, the introduction of the 18,000teu vessels will be crucial to the line's future profitability because of their potential to significantly reduce Maersk's operating costs. The line says that the vessels – which by 2016 will represent 10-15% of its total fleet capacity – are 19% more fuel efficient than the Emma Maersk class; 35% more fuel efficient than a 13,100 teu vessel and 50% more fuel efficient than the average-sized vessel deployed on the Asia-Europe trade.

"This suggests the potential for a 3% unit cost saving over a three-to-four year period, assuming fuel is broadly 30% of operating expenses. Were Maersk Line to prove successful in keeping a potential $800m saving in costs, by limiting rate discounting on a larger gauge fleet, this alone could contribute to around 30% of the total structural cost base reduction requirement suggested by 2012E earnings," the research note said.

Attacking its cost base is its one recourse to profitability, given how weak trading conditions are. But as the slew of articles about the company noted last week, predicting a diversification away from liner shipping, Maersk Line continues to represent the bulk of the group's revenues and investment in 2012, according to Credit Suisse estimates, but not its pre-tax earnings – the line accounted for 46% of revenues, 39% of invested capital and 17% of ebitda.

"As such, in the short term, Maersk Line's fortunes will likely be dictated by management's ability to insulate the company from rate downswings and capitalise on opportunities as rates rebound with the push and pull of global capacity management—we model Maersk Line rates down 1% in 2013 reflecting declines from 2Q13[onwards],"itconcluded. *Source: The Load Star*

2.2 Record high for liner schedule integrity

MSC October performance drives reliability boost on Asia to Europe. **According to the latest *Global Liner Performance* report from SeaIntel Maritime Analysis, October saw schedule reliability – driven by improvements in 25 out of the 32 tradelanes covered – advance to a record high 84%.**
Maersk Line was once again the top performer globally, followed by Hamburg Sud, with Hanjin Shipping making the top three for the first time.
Of particular note was the 10% improvement in schedule reliability on the Asia to Europe tradelane by the world's second-largest container carrier, MSC.

Indeed, MSC was the main driver for the overall 1.7% increase in reliability on that route, with the Geneva-based liner, as a consequence, improving its Asia-Europe schedule integrity ranking to seventh out of the 20 carriers measured.
The report has extended the coverage to take in the trades between Asia and South America, where performance also increased on all trades in October.
SeaIntel said: "Performance increased most notably on the trade from the east coast South America to Asia, where reliability increased from 63% to 73%.'
It added: "The highest schedule reliability was seen between west coast South America and Asia, at 88% eastbound and 91% westbound."
The *Global Liner Performance* report is issued monthly by SeaIntel Maritime Analysis and measures more than 10,000 vessel arrivals monthly, across 32 tradelanes, identified across 200 ports.

2.3 Asia-Europe GRI lost as spot rates tumble

The downward path of Asia-Europe spot rates continues to gather momentum, with the World Container Index's Shanghai-Rotterdam component falling 9.7% on the previous week and the SCFI equivalent shedding 11.9%.

Lars Jensen, CEO at SeaIntel Maritime Analysis, told *Lloyd's Loading List.com* that nothing now remained of

the 1 November GRI on the Asia-North Europe route.
"The rate has dropped to almost the same level as before the GRI," he said. "As for spot rates to the Mediterranean, these are down 27% compared with the level just prior to the GRI."
He added that the announcement by a majority of carriers of a mid-December Asia-Europe GRI was clearly having little or no effect on checking the decline in rates.
"Even though carriers have had a big push for December GRIs, the SCFI shows spot rates ex-China are under significant pressure," explained David Barnes, a Container Freight Derivatives broker at Clarkson Securities.

"The seasonal slowdown in cargo volumes appears to be outpacing any winter capacity cuts made on these mainline trades, and utilisation levels are suffering as a result.
"In the face of weaker fundamentals, the November increase did not hold for long and there is no reason to believe that the December increase will be any different," he added.
However, SeaIntel's Jensen is less pessimistic, arguing that it is not a given that a December price hike will suffer the same fate as the previous one.

He said: "It could succeed if one of two criteria are fulfilled: either the carriers remove additional capacity from the market, or they regain the collective discipline on pricing they showed in March."
Declining spot rates are also affecting the transpacific trade, with the SCFI's ex-Asia tariffs to the US west and east coasts down by 6.1% and 3.1% respectively.
Member carriers of the Transpacific Stabilisation Agreement (TSA) have announced a rate rise of US$400 per 40ft container for west coast destinations, effective 15 December.

2.4 Box lines aim for Pacific cost cuts

The proposed amendment will cover a 24-month trial period.

TSA members seek to cover entire round trip through enlarged discussion agreement

TRANSPACIFIC box lines are taking action to reduce overheads by combining the discussion agreements that cover eastbound and westbound services

The 15 members of the Transpacific Stabilization Agreement have filed an amendment with the Federal Maritime Commission that would expand the TSA's scope to include the entire transpacific round trip.At the moment, two separate organisations represent carriers operating services between Asia and the US, with the TSA covering the headhaul eastbound trades and the Westbound Transpacific Stabilization Agreement covering the US export trades to Asia.The TSA said in a statement that, once approved, lines would suspend activities of the existing WTSA.

The proposed amendment would cover a 24-month trial period, subject to review at the end of that time.While most of the major carriers, including Maersk, Mediterranean Shipping Co, CMA CGM, Evergreen and Cosco Container Lines belong to the TSA, membership of the WTSA has been dwindling.There are now just eight members left, including Hyundai Merchant Marine, K Line and Hapag-Lloyd. Singapore's APL quit a few weeks ago.Streamlining the agreements and reducing costs is the primary purpose of the filing, according to TSA executive administrator Brian Conrad, who also runs the WTSA.

Maintaining separate carrier agreements, each with its own meetings, dedicated carrier staff support, compliance requirements and administrative overheads is less justifiable than in the past, especially given the sustained low-revenue environment seen in recent years, Mr Conrad said.

Nearly all other major trade lanes with carrier agreements are represented by a single group which includes the entire round trip trade in its scope."The same lines carry the cargo in both directions on the same vessels, as part of their round-trip service rotations," said Mr Conrad. "Since they operate their business on round-trip basis, it only makes sense to view the two segments as an integrated whole from an agreement perspective as well."Under the two agreements, members are allowed by law to discuss market conditions and make joint recommendations on freight rate adjustments, although they do not have a common tariff. Discussion agreements and liner conferences, which permit members to set prices collectively, are banned in Europe.

There have been some calls in the US to follow Europe's example and outlaw all such groups that could be regarded as anti-competitive, but there are no active ocean reform proposals before Congress right now.

Article from Lloyd's List

2.5 Latest IMO developments – MEPC 64 highlights

Despite concerns raised by some industry representatives, the MEPC concluded that there are enough ballast water treatment systems on the market, with 28 systems already type approved. The MEPC recognised that there may be grounds for concern regarding the feasibility of existing implementation dates and tasked a correspondence group to look into ways of easing the process within the framework of the already agreed entry into force dates.

2.6 MSC increased rates for reefer containers

Mediterranean Shipping Company (Geneva) announced that, with effect as from January the 1st , a General Rate Increase of USD 1000 / 20' and USD 1500 / 40' will be applied to any Reefer Containers from any European origins (North South East West) to any destination in the Middle East and Far East.

2.7 Brazil as a major commodities exporter

Brazil's government said it was counting on an "explosion" of private investment to help modernize the country's clogged sea ports whose high costs and notorious delays are shredding its competitive edge as a major commodities exporter.

President Dilma Rousseff launched a $26 billion (16 billion pounds) program to overhaul and expand the ports as part of efforts to upgrade Brazil's decrepit infrastructure that is strangling growth in the once-booming emerging market.Rousseff said her government was seeking to improve the ports through partnerships with private companies, as Brazil looks increasingly to private enterprise to step in and improve public services where the state has failed to do so.

The bidding process that will open next year will favour tenders that offer the lowest tariffs for handling the greatest volume of cargo. That moves away from a prior model of granting concessions to bidders who offered the highest amount to the government to run the service."We want to increase the efficiency of Brazilian ports with this partnership, which will make our exports more competitive and increase production," she said. "We want an explosion of investment through this partnership with the private sector."The bulk of the investment would be made between 2014 and 2017, Ports Minister Leonidas Cristino said and both public and private enterprises will be involved to stimulate competition in the management of the country's ports, he said.

The ports slated for modernization include Santos, which is Latin America's largest port by value of goods moved, Rio de Janeiro, Paranagua, Porto Alegre, Itaqui, Pecem and Suape.

Cristino said a new port would be built to handle cargo in Manaus in the Amazon and a new deep-water port is also planned for Espirito Santo, an oil-producing state on the Atlantic.

He said new concessions will be granted to dredge ports, starting with the port of Santos, and the number of pilots to guide ships in and out of ports will be increased. Ships up to 5,000 tonnes displacement will be allowed to dock without pilots to speed up traffic.Rousseff said Brazil's ports handle 95 percent of Brazil's foreign trade. The country is the world's top exporter of coffee sugar and citrus and a major grains exporter. It is also one of the world's biggest exporters of iron ore used to make steel.The port investment plan follows a 133 billion reais investment package the government announced earlier this year to improve its road network and expand a woefully-inadequate rail system in the continent-sized country.Three major airports have also been handed over to private management and more airport concessions are expected before the end of the year.

Businessmen and economists say years of under-investment in infrastructure is restricting Brazil's economic potential after rapid growth in the last decade that has strained logistics.The ports upgrade plan aims to ensure their capacity expands in tandem with the rail network whose capacity to deliver cargo will expand immensely with the investments announced in August.

Brazil is about to become the world's top soy producer, but its competitive advantage as a world agricultural powerhouse has largely been eroded by high transport costs, logistical hurdles and excessive red tape.

The government hopes to reduce Brazil's transport costs by 20 percent through its investments in infrastructure, according to the transport ministry. *(Reuters)*

2.8 Unipec among trio of charterers choosing green

London: China's Unipec, one of the world's most important tanker charterers, is one of the pioneers in an innovative green chartering movement. Cargill, the world's largest charterer of bulk carriers, Huntsman Corporation, a chemicals giant and Unipec UK, a division of China's largest oil trader, came out yesterday with a joint statement bound to alter the course of international shipping.

The trio announced that "they will only charter the more efficient vessels operating in the shipping market" in what they claimed "is the first of its kind in the industry to reduce the existing fleet carbon emissions".

The three companies charter over 350m tonnes of commodities annually.

The companies will be using the Existing Vessel Design Index (EVDI), created by ship vetting specialist RightShip and published on ShippingEfficiency.org - an initiative launched by the Carbon War Room and RightShip to increase information flows around international shipping's energy efficiency, as an GHG Emissions Rating (A-G rating) benchmarking system. The efficiency ratings system - containing efficiency information on over 60,000 vessels including container ships, tankers, bulk carriers, cargo ships - enables charterers to instantly see a ship's theoretical greenhouse gas emissions and relative energy efficiency as determined by RightShip's EVDI rated from A (most efficient) to G (least efficient), compared to ships of similar size and type.

Unipec, ranked second with 586 tankers, among all tanker charterers in 2011, according to statistics from brokers Poten. The Asian company was the 14th-largest charterer five years ago and fifth-biggest in 2010, Poten said.

"Cargill has introduced a senior management override on the use of the least energy efficiency vessels. By choosing the more efficient vessel available to us, we are making a strong statement to the market," commented Jonathan Stoneley, environment and compliance manager, Cargill Ocean Transportation. "We hope this action will demonstrate to ship owners that they can and should do more in terms of efficiency, and that the market will reward them and will also show other charterers the decision support tools available if they want to operate more efficiently. We will work together with customers, as best appropriate, to help them meet their environmental objectives linked to transportation and this rating system."

Peter Boyd, COO of Carbon War Room commented: "This deal represents the first major capital shift on behalf of the charterers towards making greater efficiency a factor in their vessel chartering decisions. Cargill, Huntsman Corporation and UNIPEC UK should be congratulated for being the first to make this commitment. We'd encourage other charterers within the market, to look towards the simple and understandable ways to quantify, measure and track efficiency represented by the efficiency rating system and the A-G benchmark. Those that lead the curve on presenting more eco-efficient vessels will benefit from the choices charterers are making and the charterers themselves will see lowered operating costs through fuel efficiency - a win-win-win decision for the owner, the charterer and the environment."

Warwick Norman, ceo, RightShip, added: "Cargill, Huntsman Corporation and UNIPEC UK have strong commitments to maximise efficiency on environmental grounds, and we are proud to provide them with the decision support tool they need to implement their environmental leadership position. With the common decision making framework first movers will have significant market advantage over competitors who are using traditional methods to evaluate efficiency."

Source: SinoShipNews

2.9 Shipping made easier with eBIS

Maersk Line's IT solutions are based on customers' business requirements, saving them time and administrative costs.

What is eBIS?
eBIS stands for electronic Business Integration Solutions and is an end-to-end IT solution from Maersk Line to simplify the customer's supply chain, from product manufacturing to delivery.
What this means is that a customer can submit their booking and shipping instructions electronically or receive schedule and shipment tracking information directly in their systems through these eBIS. And these are just some examples of what you can do with eBIS. » Click here to view our various solutions and product sheets.
When asked about eBIS, Niels Petersen from the Scandinavian dairy manufacturer Arla shares: "It takes away a lot of the administrative tasks from our people. Because we are constantly under pressure for resources, we have to find out how we can work smarter with the people we have. It has assisted us in maintaining the same amount of resources and not increasing it, even though we are increasing our business and creating more bookings and transactions."

Integrating directly with Maersk Line saves customers time, reduces costs and increases efficiency.» Click here to view how BDP International, a US based global logistics service provider values its partnership with eBIS.
In fact, in a monthly customer survey conducted by Maersk Line recently, customers mentioned that they save an average of 20 hours per month due to the eBIS solutions.

How eBIS works
"We look at what our customers have today, how we can improve that, and what is it that they are trying to accomplish to make sure that in the end, they get the solution they need. We want them to be actively engaged in the process, from the time we take the call and say 'How can we help you?' until the solution is delivered," says Danny Danford from the eBIS team in Maersk Line.
After implementing a solution, the eBIS team ensures ongoing support and continuous improvements to the product. Maersk Line's team of experts work closely with customers to ensure that their needs are met.

eBIS is built on the platform of Electronic Data Interchange (EDI) which allows transmission of data securely between organisations by electronic means and contains the same information that would normally be found in a paper document. With eBIS, Maersk Line supports a broad range of EDI document types and EDI connectivity options. eBIS is not limited to EDI solutions, however, also offering some low-tech solutions. For instance, customers can track their cargo from an automated Excel file sent via e-mail.

Is eBIS something for me?
Do you have repetitive, manual steps in your shipping process?
Do you always need to re-key a lot of data?
Do you need to call/e-mail Maersk Line frequently for routine inquiries?
Do you have an existing system that can exchange relevant data in your shipping process?

Value added service
"It is one of the important value adds that we provide to our customer. It makes it easier for the customer to interact with us and reduce administrative time for them by automating most of the mundane and daily tasks when dealing with supply chains," says Danny.

Global focus and local presence
Maersk Line's global reach is achieved by maintaining a strong local presence with regional eBusiness Integration Solutions teams. These robust integration solutions are developed locally by in-country experts, tested locally, and most importantly, supported locally. Combined with our global expertise and experience, this approach ensures we stay focused on the local needs and concerns of our customers.

Source: Maersk Line

2.10 OECD Statistics Brief - October 2012: Global Freight Volumes Suggest Continuous Uncertainty

The latest global freight data collected by the International Transport Forum at the OECD through June 2012 highlights continuous economic uncertainty:

► External trade by sea and by air, measured in tonnes of goods moved, remains stagnant below pre-crisis levels;

► Diverging performance across European economies – Germany shows resilience;

► Dependency on Asia as the locomotive of global growth remains. Trade with Asia picks-up after signs of leveling off in the previous quarter;

► Road and rail freight in the EU area fall further while rail freight in USA and Russia grow above pre-crisis levels.

Find the report here http://www.internationaltransportforum.org/statistics/StatBrief/2012-10.pdf .

RAIL

2.11 Special rolling stock: system costs are 30% to 40% higher compared to the UCT standard

The International Union of Combined Road-Rail Transport Companies (UIRR), the umbrella organisation for European combined transport operators, has undertaken a study to determine which technology will enable semitrailers to be transferred to the rail network with maximum cost efficiency. The existing unaccompanied combined transport (UCT) system emerges as by far the most favourable option. The planned 4-meter corridor through Switzerland proves to be more cost-efficient than the deployment of special rolling stock. This study was presented in Berne, with the participation of Swiss freight transport associations. (see 3.5)

AIR

2.12 Swissport senior reshuffle

TOP aviation services group Swissport International has merged key roles in a senior reshuffle.

With effect from 1st January, Joe Phelan's role will be expanded from ground handling and cargo in North America to include Japan and Korea.

Phelan is also being promoted to executive vice president, becoming a formal member of Swissport International's Group Executive Management board. He joined Swissport at the start of this year bringing 25 years experience in airfreight to the table.

Juan José Andrés Alvez becomes responsible for ground handling Europe and Africa, in addition to the responsibilities he holds for Latin America and Brazil. Israel also remains under his leadership.

Per Utnegaard, President and chief executive of Swissport International, comments: "We have made considerable progress in recent months in enhancing our service quality, efficiency and profitability and this new structure builds upon that success.

"These changes will have positive effects for our customers and for our own organisation, furthering our strategy of pursuing profitable growth."

John Batten, executive vice president of global cargo, continues in his role and central Europe remains under the leadership of Philipp Joeinig.

Source: Aircargo News, By: Will Grahame-Clarke 29.11.2012

2.13 Airfreight drives IAG widebody link

FREIGHT demand triggered the decision to launch IAG Cargo's London-Madrid widebody route - according to bosses.

The positive news came as part of an IAG media day to launch the new air cargo brand. Combining the strengths of Iberia Cargo and BA World Cargo the new company is "extremely exciting" according to Steve Gunning IAG Cargo's managing director.

The two firms have been aligning all their products, systems and hubs to form a completely new company since April 2011 and the company formally came into existence on December 1, 2012.

Gunning told assembled media at their London hub: "The launch of our brand is an important milestone in our aim of becoming the world's leading air cargo network.

"In short, it will make it easier than ever to do business with us and help us become more competitive."

IAG Cargo is keen to tap Iberia's South America routes and combine that strength with BA's strength in Europe, Asia and Transatlantic routes.

Among the news at the launch Jude Winstanley, senior vice president cargo network development and alliances, revealed the company had already initiated a widebody connection between Madrid and London - in a move driven by freight demand.

Source: AircargoNews, By: Will Grahame-Clarke 03.12.2012

Section 3 – European Shippers' Council (ESC):

3.1 New Member from SPAIN – Brief message of the President of TRANSPRIME to ESC Members

Dear Partners,

First of all I want to thank, on my behalf and all Transprime team, all the effort that has been made to go ahead with the entry of our association in ESC.

Transprime, the members of which are exclusively manufacturers, was founded in 1.978 and since then we have been representatives, in front of the Spanish institutions, of the shippers' interest.

We are sure that we will have a lot of benefits with this new association, and that we will start a new and profitable relationship that will help us, as well as all the entites of the transport and logistic world in general.

I hope meet you personally in a future occasion.

Best regards,

Miguel Climent - President Transprime

3.2 ESC delegation meets Mr Hololei, Head of Cabinet of Vice-President of the Commission in charge of Transport

The ESC Delegation consisted of: Group SOUFFLET : Mr Nicolas ROSA , Directeur Commercial Adjoint, LESAFFRE International: Mr Fréderic CHABASSE, Purchasing Manager, ACN Europe, Teun HUIZINGA, Vice President Logistics & Operations, Groupe Auchan : Mr Soulet de

ESC Chairman Denis Choumert, ESC, Paola Lancellotti, Secretary General, ESC member (AUTF), /Philippe Bonnevie, Director nd ESC member (EVO), Marco Wisenhahn, Policy Manager

The meeting was held upon the strong interest of Mr Hololei to hear more about the challenges faced by the shippers in maritime transport (following the Shippers' session held at the Ports Policy in September) and in all other modes of transport. . Practical examples were provided by the shippers present and the importance to have the perspective of the clients in particular the industries and businesses represented by the shippers, to be taken into consideration when setting the transport policy. After a short introduction by Mr Hololei who underlined the support that the VP Kallas and its Cabinet are giving to libearalisation in different transport modes in order to reach a true Internal market in Europe, ESC Chairman provided a general statement about Industry-Transport-Trade relations. Supporting the industry through a more efficient transport which in turn can allow also export and as a consequence growth and jobs in the EU, in this time of crisis, is better understood. Especially as argument in support of the Budget discussion 2014-2020 which is trying to secure €32 billion for the financing of infrastructure through the instrument of CEF (Connecting Europe Facility).

Many topics were touched upon and among others the following ones:

- the Role of Shippers – its importance. Potential competition issues with other actors. Shippers are those in most cases who will be charged for any improvement in transport and logistics;
- Logistics and the High Level Group established by VP Kallas;
- Environmental issues like the Sulphur Directive and the recent statement by VP Kallas and Commissioner Hedegaard in charge of Climate Action on the need of measuring emissions before actually pursuing an ETS in shipping, while the ETS in Aviation is called to be 'on hold'.
- Supply chain security and safety (including weighing of containers).

3.3 EUROPEAN SHIPPERS' COUNCIL – PRESS RELEASES

i. Sulphur Content Rules will have a deep impact on Shippers

New rules concerning the sulphur content in marine fuels used in the Baltic Sea, North Sea and English Channel are due to commence from the 1st of January 2015. These new limits will be 10 times lower than at present and 35 times lower than is the case in the rest of Europe and in the rest of the world.

Since the publication in October 2012 of **the SWECO report** on the "Consequences of the Sulphur Directive", the European Shippers' Council reaffirms its concerns about the outcomes of these environmental constraints.

The SWECO report outlines the Directive will have a huge impact on both European and national transport patterns with negative consequences including: the impact upon the environment; unmet diesel demand; maritime transport suffering tremendous cost increases; and, with a knock-on effect, causing unsustainably fierce road transport competition.

Saw mills, pulp and paper, steel, mining and chemical industries will be amongst those transport buyers hardest hit by increases in transportation costs. These industries are dependent on high-volume transportation and global competition gives no opportunity to compensate by increasing prices.

Shippers, and the wider business community, are not opposed to harder sulphur rules at sea but higher transportation costs threaten several important industries and will lead to job-losses. The European Commission must now ensure the unintended consequences of regulating the transport market are limited.

It is important that the European Commission goes further with its "toolbox" to limit the Directive's huge impact. Indeed, the current proposed "toolbox" is a good starting-point but, as initially proposed, is too limited in scope and too generic in nature to achieve its desired outcomes.

Furthermore, the European Shippers' Council recommends the creation of schemes that will avoid the loss of competitiveness within Europe such as eco-bonus schemes which help manage transport demand. Such systems limit the impact of such environmental constraints while preserving the level-playing field in maritime transport, saving jobs and creating growth as well as effectively having environmental benefits.

Ship operators, to conform with these regulations, only have three solutions: use scrubbers (which are not yet mature to be commercially uptaken), switch their ships to LNG propulsion (despite problems with the availability of LNG fuelling infrastructure); or use diesel fuel (which will dramatically increase short-sea shipping prices and cause a loss of competitiveness).

In summary, the European Shippers' Council requests EU Member States consider very quickly certain possible exemptions which could be inserted into the Marpol Annex 6 revision, enabling European short-sea traffic sufficient time to become compliant at a reasonable price.

Download the SWECO report here:
http://www.svensktnaringsliv.se/multimedia/archive/00033/Consequences_of_the___33781a.pdf

ii. Asian Shippers and European Shippers Council (ESC) meet in Jakarta (Indonesia) and agree to improve cooperation.

The joint meeting was held in Jakarta, Indonesia on 6 December 2012 and hosted by the Indonesian National Shippers Council.

The meeting was attended, by representatives from the European, Hong Kong, Korean and Macao Shippers Councils, as well as the Indonesian and Thai National Shippers Councils.

The meeting serves as an annual discussion forum for delegates to exchange views and discuss new economic development opportunities and challenges facing the industry in the current global trade environment.

Mr. Budi Santoso, Logistics Secretary of the Ministry of Coordination for Economics, officially opened the meeting. This was followed by several presentations during the morning session by Mr. Mulyanto, Ministry of Quarantine, concerning the Indonesia Agricultural Quarantine; Mr. Budi Wimanto of the Ministry of Customs who discussed the implementation of AEO in Indonesia and finally by Mr. Yan Budi Santoso of the Indonesian Port Company (IPC), who highlighted IPC's role in the implementation of a National Logistics System.

In the afternoon session, the delegates discussed the various issues as follows: Global and Regional Economic and Market Outlook, Latest trends of the freight market, The proliferation of surcharges, Maritime Regulatory Reforms, Cargoes Security Regimes, Green Logistics, Container Liner Shipping Award, Freight Index, Free Trade Agreements, Trade Facilitation Initiatives and activities highlights of each individual shippers councils.

The meeting delegates also agreed to explore additional approaches to the relationship between shippers and carriers, based on mutual understanding.

The Asian Shippers' Meeting and the European Shippers Council agreed to co-operate on programs related to education and training, the sharing of information, the exchange of knowledge and best practices, and possible lobbying activities related to policies of common interests. It was agreed that a further joint meeting would be held in June 2013 in Brussels, to coincide with the 50th anniversary of European Shippers Council**.**

3.4 ESC Chairman mets MAI President in Brussels

ESC Chairman, Mr . Denis Choumert met with the Mr. Zvi Oren, President of the Manufacturers Association of Israel (MAI) who was in Brussels, for various meeting with representatives of the different European Institutions.

ESC Chairman welcomed MAI as new member to the European Shippers' Council.

Israeli membership began in 1964 and is considered as a founding member of the ESC. However, MAI represents a new Member since it is the Chamber of Haifa that held membership in 1964.

MAI is the biggest business-industrial professional and trade association in Israel. Established in 1921, it plays a pivotal role in shaping Israel's economic policy.

Considering the fact that Israel's trade with the world depends almost entirely upon maritime transport and air freight, the MAI sees an important future of cooperation, work and activities with ESC and fellow organizations in this field.

3.5 ESC/UIRR Secretary Generals met to renew alliance and identify new areas of cooperation

During the meeting in which information about the two organisations priorities and activities were exchanged, the Secretary Generals talked about the study (see page …. Under Business News) carried out by UIRR.

UIRR raised also the attention of ESC and their members on

- Destiny project

http://www.destiny-project.eu/

- Marking of ILU

http://www.uirr.com/en/our-association/administrator-of-the-ilu-code.html

http://www.ilu-code.eu/en/

UIRR and ESC may organise a joint event in the European Parliament in the beginning of the new year as to present the point of view of users for the railway sector in Europe**.**

3.6 ESC Article for the Journal of Commerce by the Secretary General (November 2012)

Any shipper should be able to decide at any given time which transport mode (road, rail, water or air) is the most appropriate to ship their goods. 2013 will provide a step in a different direction as shippers may see their autonomy endangered if they:

1. are not aware of the need to keep and/or enforce their decision-making powers over their goods;

2. do not lobby, like other parties do, for a favourable regulatory framework for their goods.

Shippers have to maintain their know-how and expertise on transport/logistics/supply chain and procurement. This expertise is essential to understand:

1. the dynamics (and costs) of the different players like carriers, freight forwarders, LP3 and LP4; and

2. the value of shippers' own information and data (as the main future challenge concerns information/data flows).

Some practical challenges:

1. Ports Community Systems.

Shippers must remain vigilant that they are granted access without any additional and/or artificial requests (especially relating to costs). Shippers must have direct access to information related to their cargo and intermediaries should not be allowed to impede that direct access.

2. The "greening" of shipping.

"Slow steaming' and the installation/retrofitting of green technologies are currently presented as viable solutions to environmental concerns. Yet understanding of the present situation remains unclear as shown by various studies which have reached different conclusions on this issue. Shippers must lobby to make sure that solutions are fully, accurately and realistically assessed by policy decision makers.

3. Container weighing

It is under discussion at IMO, making shippers solely responsible for physical or certified-calculated container-weighing. It is clear that the total weight to be provided timely for the loading plan, cannot be the shippers' sole responsibility. Shippers must ensure that a holistic approach to safety issues related to containers is included in the present debate in IMO.

3.7 ESC meeting AIM for potential cooperation

ESC Secretary General is holding a series of meetings with European Associations in Brussels to explore lobbying synergies. In particular, ESC Secretary General and the Chairman of ITC gave a presentation to the Logistics Committee of AIM (the European Brands Association) on 28 November 2012. The presentation focuses on the activity of ESC in favour of the industry in its function of transport as an important element of its competitiveness. Because most of the members of the Logistics Committee are strong users of road transport and inland navigation and in some extent rail, the Chairman of ITC gave an overview of the priorities and topics monitored and lobbied by ESC in those modes.

AIM may decide to support ESC lobbying activities.

3.8 NEWS from the MODAL COUNCILS

3.8.1 TRADE FACILITATION

i. Blue belt

The Commission is working on a proposal to reach equivalent customs requirements for intra European road transport and transport by short sea vessel. Nowadays all vessels leaving a European port have to prove the Union status of their cargo at reentering the Union. The only exception to this rule is the use of regular shipping services. DG MOVE and DG TAXUD are aiming at a system where the movement of ships will be monitored by Safe Sea Net. Big disadvantage in this proposal is that non-community goods (for instance goods leaving a warehouse) should use the New Community Transit Document. For their voyages within the Union. As this will often result in opening a transit regime at the port (the haulier transporting the goods into the port will in most cases not take responsibility for the sea voyage0 this will result in higher costs and administrative burden. ESC has already expressed its doubts about this arrangement and will be in contact with DG MOVE and DG TAXUD about these developments.

ii. Reporting Directive

According to the Repoting Directive for sea vessels in ports in each port in the Union a Single Window should be installed to make it possible to report in a paperless manner. The development of the e-Maritime Single Window has also been discussed with Member-States and DG TAXUD. Especially Member-States were rather reluctant here since they feared another Single Window next to a lot of already existing initiatives on the level of Member-States and Union-wise. The Commission promised to draft a new working document taking into account the present hesitations of Member-States and the trade associations (amongst them ESC). This paper will probably be issued next spring.

iii. Turkey

Turkey has entered the Community Transit arrangement so from that date it is possible to transport goods to and from Turkey by making use of the Community Transit arrangement.

For more information please contact the ESC Policy Manager for TFC , Godfried Smit (g.smit@europeanshippers.eu)

3.8.2 AIR TRANSPORT COUNCIL

i. EC Legislative Proposal

The European Commission presented its legislative proposal to defer by one year the requirement for airlines to surrender emission allowances for flights into and out of Europe. This means that the EU would not require allowances to be surrendered in April 2013 for emissions from flights operated during the whole of 2012. Flights between European airports will continue to be fully covered by the legislation.

This formal proposal follows the Commission's statement on 12 November announcing the intention to put on hold the enforcement of the inclusion of aviation in the EU ETS in relation to flights to and from non-European countries until after the ICAO General Assembly next autumn.

The formal proposal, which should be agreed by early 2013, will be submitted to the European Parliament and the Council and is subject to the ordinary legislative procedure. In the event that the legislative process takes longer, airlines which have either not received free allowances, or have returned free allowances received in 2012 for cancellation, should not expect enforcement activities to be taken against them by Member States in respect of reporting or surrendering emissions for flights to or from third countries and airports in the EU and closely connected areas.

ii. JOINT LETTER ESC/CLECAT on Comments in response to the new implementing legislation on third country cargo (19/11/2012)

On the occasion of publication of the new Regulation on third country air cargo security, that is expected later this week, CLECAT and ESC would like to express its continued support for the development of sound air cargo security initiatives. Since the adoption of new rules in August 2011 to strengthen security of incoming air and mail into the EU from non EU countries, we have supported the drafting of the implementing legislation through our participation in the various bodies working with the European Commission. Therefore we will continue to seek to constructively support the Commission in the development of the remaining parts of the legislation during the coming months.

The adoption of the new rules has been made possible through the extended cooperation and constructive attitude of all relevant parties in the process: the European Commission, the Member States and the industry stakeholders. Authorities and stakeholders alike now need to make a concerted effort to quickly finalise the legislation in order to ensure the successful implementation of the new rules by July 2014.

CLECAT and ESC have several concerns regarding a number of issues that could hinder a successful implementation of the new rules. We are of the opinion that if these issues are addressed now, still relatively early in the process, this will better facilitate the future development of the new rules. The issues that we think need to be further addressed in the coming months are the following:

<u>1. Validation checklists for 3rd country Regulated Agents and Known Consignors</u>

As of 1st of July 2014, cargo coming from third countries needs to be screened, unless it comes from a secure supply chain. In the majority of cases, this screening will be conducted by ground-handlers or freight forwarders. It is therefore of utmost importance that the Commission and the Member States , together with the aviation logistics industry, now develop the templates for the Regulated Agents (RA) and Known

Consignor (KC) validation checklists. For a successful and rapid validation of an ACC3 it would be logical to ensure the validation of the RA's and the KC's first. Once the RA's and KC's are validated, the air carrier can then include the validation reports in its business process and security programme, which will then be validated subsequently. The logistics industry is ready to support the rapid adoption of the necessary checklists in any way possible. Once a workable first Commission draft has been produced, we would like to see practical trials in third countries in order to see the practicability of the checklists. CLECAT would be pleased to help in organising and supporting these trials in any possible way.

2. Lessons learned from the EU deadline of March/April 2013

CLECATand ESC would like to remind the European Commission and the Member States of their commitment to support the implementation of the new legislation in any way possible. Seeing the disappointing number of KC's in the EU, the problems that are likely to arise in March/April 2013 in the EU should be used as a learning experience on how to communicate the new legislation in time and support the industry in its implementation. Member States should be aware that they need to put even more resources in place, if they want to extend the secure supply chain concept on a global level. This is especially important considering the fact that the implementation will have to be done primarily in countries outside of the EU. In that respect we encourage the Aviation Security Committee to consider ways of communicating information from the secret Decisions in a more direct way to companies' global security managers so that they may organise the business process on a higher management level.

Furthermore, the industry is in need of clear and harmonised rules in order to organise validation activities and manage global supply chains. In order to address some of the most important questions we suggest updating the European Commission's 'Questions & Answers' document, which has been published in the past as a sort of guidance material, so that it covers the new legislation. The industry would be pleased to cooperate in finding the most appropriate interpretation, if necessary. Issues that need to be clarified would be for example the relationship between the air carrier and the freight forwarder in case of exemptions (2 year exemption for objective reasons or the risk based validations), the liability issue or the level of independence that the validator needs to have from the validated entity.

3. Management of the validation activities

In order to make this regime work, some sort of oversight or management, preferably by an international governmental organisation or an organisation that is independent from the air cargo industry seems indispensable. For optimal implementation, a high level of support from Member States, the Commission or possibly ICAO would be preferable. The legislation affects global supply chains and a magnitude of different actors from authorities and industry entities in third countries. The involvement of authorities is especially complex, where authorities have a crucial and active role in the supply chain (most prominently in the screening of cargo). Coordination of the validations, certification of the training programmes, learning from the feedback and feeding it back to the validators are all activities that make oversight a necessity, but we are not convinced that an industry body would be able to deliver. We therefore call on the Commission and the Member States to closely consider the party that would be in a position to take this oversight.

4. Sufficient number of validators

By 2014 more than 1000 entities are expected to need validation by an EU aviation security validator. We welcome the initiative from IATA to organise a system, where individuals can be trained to become independent validators, as one alternative to get the ACC3, RA or KC validation. But the validation of validators should not be left to the private sector alone. The involvement and support of Member States in setting up training programmes and permitting state validators to do some of the validations will also ensure that there are enough options on the market for an entity to choose from. The possibility to choose a Member State validator would be especially relevant for those countries where private validators may not be able to do a validation (e.g. countries where screening is organised by the local authorities).

We also believe there is enough room for a variety of different validators, considering that the validations will have to cover all relevant entities (ACC3, RA and KC) by 2014. It should also be noted that some entities may prefer a truly independent validator, i.e. a state validator. Such entities, by their own choice, may be reluctant to accept an industry-based solution and would like a truly independent validation of their security systems.

It is important to consider that prospective validators may not be willing to pay up front for a training course. So far commercial firms have shown little interest in becoming approved as EU aviation security validators. Reasons for this could be the expected complexity (dealing with the validated entity, a third country regulatory body, and EU appropriate authorities) and the lack of proper guidelines (as mentioned above under point 2). Also we feel that until the issue of liability is properly addressed, validators may be reluctant to enter in this area of business.

We would therefore suggest that Member States should be prepared to finance the training of validators, similar to what has been done at EU level, otherwise it will be difficult to ensure that there are sufficient validators on board to ensure that by 2014 the demand for validations are met.

We understand that the Commission will do a formal review of the progress that has been made early next year. We strongly encourage and support the Member States and the Commission to take the above mentioned points into account, and to work on framework conditions that will enable a smooth implementation of the validation of third country entities by then. 2013 will be a crucial year for the implementation of the third country cargo regime and it will determine whether the deadline of July 2014 can be met. We remain confident that if all partners cooperate, the successful validation of all relevant entities can be achieved.

For more information please contact the ESC Policy Manager for ATC , Joost van Doesburg (j.vandoesburg@europeanshippers.eu)

3.8.3 RAIL TRANSPORT COUNCIL

i. Decrease in European rail freight

According to data collected by the Community of European Railway and Infrastructure Companies (CER) rail freight has decreased in Europe, when comparing the second quarter of 2012 (2Q2012) with the same quarter of 2011 (2Q2011).

Rail freight traffic in Europe has been recovering steadily since the economic crisis of 2008. However, as the economy started contracting again at the beginning of 2012, so has the rail freight sector. The performance of the European rail freight market decreased by 6.1% in 1Q2011 and 7.8% in 2Q2012 compared to the same period in the previous year. During this period, the rail freight sector shrank by more than industrial production, which decreased by 1.3% and 1.8%* respectively. For the first six months of 2012, rail freight traffic in Europe decreased by 6.9% in Europe.

Compared to the same period in the previous year, tonne-kilometres in EU15 (+CH) decreased by 6.1% in 1Q2012 and 7.8% in 2Q2012. Similarly, tonne-kilometres in Central and Eastern Europe countries (CEEC) decreased by 6.2% in 1Q2012 and 7.6% in 2Q2012 compared to the same period in the previous year.

In ESC's opinion the decrease won't help the ESC's plea for a full separation of infrastructure management and rail transport services. Some incumbents argue that separation hasn't led to more rail transport. *Source: CER*

ii. <u>Recast of First Railway Package approved by European transport ministers</u>

The transport ministers of the EU approved the text of the recast as agreed with the European Parliament. The recast will establish a single European railway area, and member states have 30 months (starting from 29th October, the date of the approval) to transpose the directive into their national legislation.

The recast should strengthen national regulators, ensure fair access to the network and improve the framework for investments in the infrastructure. The recast will also make multiannual contracts between national governments and infrastructure managers necessary, in which contracts funding are to be linked to performance and business plans.

The recast will require member states to ensure the independence of national regulators from other public authorities. DB however sees no reason for changing their DB Holding model, in which the infrastructure manager (DB Netz) is a separate part of the holding. In their opinion the model proved its advantages.

iii. <u>Shippers need a Fourth Railway Package with the right policy and actions</u>

In its position paper to the upcoming Railway Package the ESC has emphasized to need for the right policy, strategy, actions, planning and funding for achieving a single railway market. Shippers suffer from poor railway transport services, to which they are designated. These poor services affect their business in a negative way, as well as their competitiveness. Without substantial improvements within de next two decades shippers rather will shift their transports from rail to road than from road to rail.

For most interested shippers the first and last kilometre often are the most expensive and keep them from using rail transport. These 'kilometres' should be subsidized to make rail transport more attractive. In the end stimulating demand will consequently stimulate better services.

A full separation of transport services and infrastructure management is a prerequisite to create a level playing field for all undertakings that offer railway services and to facilitate a single European Rail Area.

Not only Railway Undertakings (RUs) should be an authorized applicant for applying rail capacity: initiators that run trains, like shippers, hauliers, freight forwarders, combined transport operators etc., also should be able to be an authorized applicant.

For more information please contact the ESC Policy Manager for RTC , Laurie d'Hont (l.dhont@europeanshippers.eu)

3.8.4 INLAND TRANSPORT COUNCIL (Road and Inland Navigation)

i. Cabotage

ESC attended a restricted workshop with the European Commission in October. The follow-up meeting will be held in December. Below a summary of ESC response on cabotage:

- Would you consider the removal of the three-operation rule useful to make cabotage legislation more enforceable? Yes of course, currently the regulation is almost unverifiable.
- Do you believe it would help increase the efficiency of operators and the logistics industry? Every step that will lead to liberalizing cabotage is a step towards more efficiency
- Would the use of information from the digital tachograph be useful to help enforce cabotage provisions? Maybe the new digital tachograph (2013) can provide more information. With the current tachograph this is not possible.
- Would the use of ERRU for roadside checks be useful? Should any other changes to ERRU (inclusion of other types of information in the register…) be considered? Did not answere this question.
- Which employment rules should be applied to drivers working abroad? Should criteria such as those used in Directive 96/71/EC be considered? Minimum paid, safety and hygiene, work periods
- What elements or constraints should be taken into account for the enforcement of these rules? Maybe we should not link cabotage to the driver but to a vehicle.
- What should the duration of a cabotage period (under local labour rules or not) be in your view? The longer the better, 60 day's is better than 50. 120 better than 100 days
- What would the costs of setting up a cabotage register be? We do not know
- What information should be contained in the register? Country, data of entering the country, working hours, vehicle information
- Do you support the removal of the link between cabotage and an international trip? Yes, definitely for hauliers located near a border of an EU member state

ii. ESC attended a meeting about emissions reduction in inland waterway transport fleet

Being a member of the EU Common Expert Group which is involved in the above mentioned subject, ESC attended this 3rd meeting on November 22. Chaired by Mr. Dimitros Theologitis, Head of the DG MOVE Unit Ports and Inland Navigation, the main subjects of the meeting were the results of a comprehensive study of the Marco Polo accompanying measure and an UNECE-initiative presentation regarding Retrofit Emmission Control Devices (REC) for certain transport segments.

- Lead consultant NEA/Panteia led the meeting through the results of their study, focusing on the impact assessment of measures to reduce the emissions in inland navigation. The study report is available for interested parties. The largely presented and discussed chapters were:
- Fleet model and assumptions regarding calculation of external costs.
- Performance gap IWT in relation to road transport & options for measures.
- Business economic impact / external cost savings of policy options.
- Other impacts (administrative burden, enforcement, employment)
- Cost/effectiveness approach; combination of options.

  In the discussions the live span of engines, emission saving- and retrofit options were amongst the most discussed items as well as external costs, which in 2020 should be the same as road transport, the desired growth of the ton-kilometers and the threat of inland navigation becoming more expensive than wished.
- UNECE presented their initiative on uniform provisions concerning the approval of REC's for heavy duty vehicles, Agricultural and forestry tractors and non-road mobile machinery (NRMM) equipped with compression ingnition engines. This initiative is still within the procedural time path and UN-regulations 49 and 96 are applicable for this initiative It is expected that for admitted REC's a certification program will be developed and the uniform provisions should be in place in 2014.

For more information please contact the Chairman of ESC ITC Willem Buitenkamp (w.buitenkamp@europeanshippers.eu)

3.8.5 MARITIME TRANSPORT COUNCIL

i. Sulphur Directive: ECSA seeks for common ground on possible exemptions

ECSA held a meeting on Thursday 8th of November regarding the possibilities of exemption. The meeting was initiated by the French Ministry. The meeting was with MS permanent representations in Brussels, exempt for France and Belgium which also had representations from their Ministry at the meeting. Present countries were: Bulgaria, Croatia, Estonia, Sweden, Finland, Germany, Malta, Poland, Denmark, Greece, Holland, France and Belgium. A couple of these countries said from the beginning that they did not have the mandate to negotiate or decide anything at the meeting, but were there mainly to listen.

At the meeting it was said that France is indeed deciding on whether or not to make a submission to IMO MEPC 65 and if so, what it should contain. The meeting at ECSA should be viewed as an attempt to look for support on the issue of exemptions. A list of criteria for expemptions were presented. The matter is not for Euroepan Institutions but rather for Member States who shodul seek for a coordination at EU level.

ii. **ESC urges for innovation in supply chain communication**

On behalf of the European Shippers Council Marco Wiesehahn – Vrijman said, at the Intermodal conference in Amsterdam, that to the shippers community the improvement of communication systems in the supplychain is paramount to obtain sustainable growth in the logistical sector the coming years. According to ESC many of todays inefficiencies in business to business relations and business to government relations are caused by lacking information exchange systems. Data is not shared on time or not at all, shippers need to spread several copies of the same set of data to several governmental agencies and nevertheless the info burden is still increasing due to new safety and security regulations. The success of multimodal transport is for a large part depending on the ability of all parties in the supply chain to share information quickly and reliably.

Next to making more means available for innovation in supply chain communication systems Wiesehahn-Vrijman also stated the need for the transport and logistics community as a whole to back up the European Commission in her efforts to harmonize transport and logistical policies in Europe. The fragmented railsystem, the restrictions on cabotage and ecocombinations in roadtransport and the administrative burden on shortsea operators due to EU customs regulations all need to be tackled to improve the performance of the intermodal supplychain in Europe and really make a step forward into the 21st century. The European commission is an ally in this effort and not a foe as many seem to think, according to Wiesehahn-Vrijman.

The intermodal conference was held in Amsterdam from the 27th of November till the 29th. The conference and transport and logistics fair focuses on the multimodal transport of containers throughout Europe. Among the other panelists were representatives of shippers companies Proctor and Gamble and Alcoa.

For more information please contact the Policy Manager of ESC MTC Fabien Becquelin (f.becquelin@europeanshippers.eu)

3.9 EVENTS:

- **23-25 January 2013:** The Swiss Shippers Council organizes its Annual Event**. The 2013 event focuses on Air Transporto and will be held in** Victoria-Jungfrau Grand Hotel & Spa, Interlaken. Programme and registration can be found: In German : http://www.swiss-shippers.ch/index.php?id=40&L=0 and In French : http://www.swiss-shippers.ch/index.php?id=40&L=1
- **DATES of MODAL COUNCILS in 2013**

ESC General Assembly has agreed that **meetings of the Modal Councils in 2013** are grouped in two days (ATC/MTC – 1st day – and ITC/RTC – 2nd day) and dinner is organized for those who will stay overnight with generally a guest speaker (either from EU institutions and/or relevant expert). Please note the dates, time and location of the Modal Councils meetings:

- **January 22 and 23**
- **April 16 and 17**

- **June 18 and 19** (it may be subject to adjustment depending on the day of the celebration event)
- **October 15 and 16**
-

NB TFC will be held on April 18 and 17th October.

<u>1st Day:</u>

- 10.00 – 13.30h (ATC)
- Joint lunch 13.30-14.30
- 14.30-18 (MTC)

Dinner 19-21.30 (and possible guest speaker by EU institutions or relevant expert)

<u>2nd day</u>

- 9.30-12.30h (ITC)
- Joint lunch 12.30-13.30
- 13.30-16.30 (RTC)

The location, unless mentioned otherwise, is ESC Office in Rond Point Schumann 6 – 1040 Brussels. Additional information will be sent closer to the time of the meetings and can be asked to the ESC secretariat or the respective Policy Managers of the Modal Councils.

For more information on Brussels' Update by ESC, please contact: