



The European Voice of Freight Logistics and Customs Representatives

European Commission's Communication Freight Transport Logistics Action Plan

CLECAT opinion

Brussels, 27th November 2007

CLECAT, aisbl (n° 0408301209)
Rue du Commerce, 77
1040 Bruxelles - BELGIUM
Tel: +32 (2) 503 47 05
Fax: +32(2) 503 47 52
E-mail: info@clecat.org

INTRODUCTION

CLECAT, the European Association for Forwarding, Transport, Logistic and Customs Services, has been closely involved in the process that has led to the adoption of the Freight Transport Logistics Action Plan¹. The statement on logistics² published by CLECAT in connection with last year's Freight Forwarders' Conference and handed to Vice-President Barrot is probably worth a special mention.

We would like to take this opportunity to thank the European Commission for the time and effort it has put in the extensive preliminary consultation carried out in the last few years. In this process, CLECAT has done its best to provide all the necessary assistance and input in order to explain the structure of the European logistics sector, as well as the variety and complexity of services it offers.

As a general observation we must congratulate the Commission for the precious work of identification and scrutiny of the main areas of concern in our economic activity, surprisingly still not entirely understood, despite its importance (we read 14% of GDP) and impact on our society. All the more we should congratulate the Commission in their correct assessment of this case by recognising the primary business dimension of logistics in a formal way.

The work done by the services of the Commission in consulting various parties has been very noticeable and stakeholders have been consulted in a number of occasions in recent years. The mention at point 1.1 had the beauty of informing the public that EU services do not speak with the Council, the Parliament and their own structures only, but they commendably devote a number of hours to hearing the suggestions and concerns of stakeholders and even individuals. Mentioning these activities does not detract from the importance of the institutions, but it adds value to their work and testifies to their commitment to a better regulation paradigm.

The Commission told us that *the Action Plan will help*

- *achieve a better utilisation of transport infrastructure, including through vehicle management and loading factors, and the pin-pointing of infrastructure investments that would benefit freight,*
- *improved cross-border management of freight flows and the associated administrative reporting requirements,*
- *better integration of transport modes and the reduction of friction costs affecting intermodal transport,*
- *more emphasis on quality criteria in modal choices,*
- *and higher competence levels, mobility and attractiveness of the logistics professions.*

This comprehensive analysis and ambitious set of suggestions is a very good start. On the other hand we must not be unconscious that when all wares are on the table some of them may look uglier than others, whilst on the other hand easy enthusiasm followed by swift disillusion may be our worst enemy. For these reasons we think there is a lot of value both in the goals and in the proposals, but we must put our mind at rest that the proposed actions are not simple and they will not be achieved overnight. In addition we should be mindful not to kill efficiency in our aim at a judicious use of existing resources.

We feel we must also send another message or warning of a general nature. Let us not forget we can avail ourselves of the most sophisticated systems and devices, but we shall always be

¹ http://ec.europa.eu/transport/logistics/freight_logistics_action_plan/action_plan_en.htm

² http://www.CLECAT.org/index.php?option=com_content&task=view&id=186&Itemid=47

confronted with the limits of our physical infrastructure. We should not flatter ourselves that electronics can multiply square metres: they will not.

The main hard core of logistics depends on infrastructure. Today some European countries spend, for freight infrastructure, even less than they did in past years. For these reasons and in view of the fact that we observe dramatic underinvestment today, EU logistics need a real public commitment to invest in better freight infrastructure for all modes of transport.

In addition, by reading the impact assessment kindly provided by the Commission, one gets the impression that we can expect not only efficiency gains, but also lower costs. On this item, especially considering the concurring factors of, taxation of, and lack of infrastructure, we are of the opinion that transport and logistics costs in Europe are destined to climb at least until the moment our infrastructure planning capacity will catch up again with the evolution of our markets.

Based on several official opinions expressed during the consultation process and before submitting more detailed positions on each of the actions envisaged, CLECAT would like to provide its preliminary views on the initiatives proposed by the Action Plan.

COMMENTS

I- e-Freight and Intelligent transport systems

A- e-freight

Proposed action

⇒ Together with stakeholders, develop a roadmap for the implementation of **e-freight**, expanding on the concept of the '**Internet for cargo**' and identifying the problem areas where EU action such as standardisation is required (identification of action areas by 2009).

Comment

⇒ Technological solutions are now fully part of logistic services and therefore one of the elements of logistics competitiveness and excellence. By the same token, this is a highly sensitive area in terms of competition between logistic service providers. Whilst we recognise that the idea of an 'Internet for cargo' has some merit, we are of the opinion that the eventual result will not be easily reached.

We are still far from a complete interoperability of trade protocols and procedures, considerable time has been lost since the end of the 90's and only recently the international experts' machine has resumed its motion effectively. In addition one must remember this is an international exercise encompassing all sections of international trade. The question of whether the world is ready for it now rather than yesterday is probably legitimate.

This being said, a more contained goal aimed at providing a series of digital services for transport users seems less difficult to achieve even at regional level. This could consist of a number of electronic "enablers" which could seriously help in making logistics more efficient and more competitive. Some interesting work has started in the field of RFID and some good results could come out of an extensive use of AI devices (whether RFID or other). In addition standardisation processes are easier when their scope is limited. In the past almost all attempts at standardising broad logistic and telematic processes never even got through the initial examination stage.

On the other hand the close cooperation of airlines and freight forwarders has produce working examples of e-freight such as the project cargo-2000. This experience could offer inspiration.

The cost factor will have to be put under serious scrutiny, because a number of SME's will be looking for a rather low investment bar. A high cost, which could exclude them from the scheme, would kill competition, innovation and entrepreneurship renewal in logistics.

If this "roadmap" takes the character of becoming "the enabler of enablers" it will certainly prove very helpful. This identification process will show more than one missing link, but if its scope is limited the horizon of 2009 is not out of reach.

Proposed action

⇒ Work on a **standard for information flows** to ensure integration and interoperability of modes at data level and provide an open, robust data architecture primarily for business-to-administration and administration-to-administration data flows (deadline: 2010)

Comment

⇒ Since logistics service providers often have to use as many systems as administrations they deal with (or more), CLECAT welcomes any initiative aimed at standardising information exchange systems. Considering the substantial investments in technology made by logistics service providers to improve the service they offer, CLECAT welcomes the fact that the proposed action is limited to business-to-administration and administration-to-administration data flows.

Even more than the proliferation of systems in B2G, the persisting evident inability of administrations to communicate with one another (sometimes even inside the same member state) is one of the main elements of cost, confusion and inefficiency in international trade. It creates errors, duplications in submissions and a number of invisible technical barriers to trade, which our operators have had to deal with and overcome for decades.

One issue is worth a dedicated paragraph: there is an inexplicable reluctance in public administrations to feed information back to business. It is impossible to expect business to submit information without receiving information in return, at least in order to describe the status of received submissions.

A number of initiatives in the past provided information and a number of standard data sets and messages have been elaborated both in EDI/EDIFACT and ebXML environments. In this context we are of the opinion the Commission could take an even more prominent role in the international discussion on the Single Window initiative³ and the recent common interest shown on the WCO data model⁴. The Commission recent direct involvement in the WCO was welcomed in our sector as an additional guarantee that work would then proceed apace. All the more we are reluctant to believe that important projects such as the WCO Data Model are apparently being slowed down by lack of appropriate resources.

The EU should be in the position of the front runner and should live its role and mission with full competence and involvement; this attitude might win appropriate consideration for its role and contribution to the work it does at international level.

As and if these problems find a solution, even partially, we would certainly have more time to devote our time and resources to providing better and more efficient services. The sooner this happens, the better. Whilst one would welcome a solution tomorrow, we understand that bringing different administrations to the same wavelength can take three years or more.

³ A) http://www.unece.org/cefact/recommendations/rec33/rec33_trd352e.pdf
B) <http://unpan1.un.org/intradoc/groups/public/documents/UNECE/UNPAN019892.pdf>
C) <http://www.wcoomd.org/files/1.%20Public%20files/PDFandDocuments/Procedures%20and%20Facilitati%20on/Single%20Window%20Concept.pdf>

⁴ http://www.wcoomd.org/home_wco_topics_pfoverviewboxes_tools_and_instruments_pftoolsdatamodel.htm

Proposed action

⇒ Mandate work on a **standard data set to describe freight**, including for regulatory requirements (while taking into account the current requirements for hazardous goods, live animals, etc.) and technologies such as RFID (deadline: 2009)

Comment

⇒ The idea of standardising data set to describe freight is interesting. It has an undeniable appeal for all parties concerned. It has been – alas – on the tables for some time though without a solution to date. This is another far reaching complex and all-encompassing goal. We hope an initiative taken at this moment in time can be more productive.

Despite the self-implied additional difficulty, CLECAT believes that such a process should be carried out in full coordination with international standardisation bodies on one side and business representations on the other. Banking on previous attempts (such as the G7 initiative) and their possible failures and shortcomings is essential if we want to avoid the same pitfalls where these initiatives eventually wound up.

Whilst CLECAT is involved in initiatives aimed at creating the conditions for the “internet of things” both with the Commission (RFID) and other bodies at other levels.

The recipe for success may come from creating a collaborative environment, which should attract investments, experts, trade representatives and institutions to cooperate hand in hand for a common objective. This is not something that comes easy: quenching quick enthusiasm may become an issue in order to achieve a future result.

We are sceptical about “mandating”. Mandating trade on the way operators should or could communicate with one another may not necessarily be a good idea, even by soft legal instruments. We find a better approach is to make a tested, efficient and simple communication tool available for companies to use it, if they wish to do so. A number of UN, public and private initiatives (e.g. UNeDocs⁵, ebXML⁶, asycuda⁷, just to name a few) are more or less developed, some are in a state of limbo, but they could all be examined in order to extract some common practical standards. Data sets exist at UN level and could be streamlined for EU use.

In addition we wish to observe that international regulations exist, for example in dangerous goods, that are not harmonised and our industry has repeatedly taken the view that something should be done to harmonise the existing small differences that make them incompatible with one another. In this field standardisation has no power, we need legal instruments.

For these reasons, the standardising process might or might not be a good vehicle. However, in principle the standardising initiative should stem from an identified industry requirement. We are not too sure that it can work as a substitute for legislation or that it should be promoted by institutions, if a precise industry requirement is not identified.

If this exercise works, this will be an instant success. There will be no need to mandate, but it is acceptable that the Commission works as a catalyst of interests and puts them around a table in view of a far reaching goal. On the other hand we are not too sure that the horizon of 2009 is realistic for such a complex exercise.

⁵ <http://www.unece.org/etrades/unedocs/>

⁶ <http://www.ebxml.org/>

⁷ <http://www.asycuda.org/>

Proposed action

⇒ *Make a proposal on e-maritime (deadline: 2009)*

Comment

⇒ The e-maritime idea looks like a useful tool for exchanging information business-to-administrations. This is – in our view – a particular case of the actions described in the previous paragraphs. In view of the nature of maritime transport, this exercise requires a very high degree of integration between different administrations between MS's and within MS's.

It would require integration in messaging and data sets and a legal base for these messages to be acceptable with a “maritime single window”. Once this integration is achieved maritime activities (especially intra-community) could definitely be made more efficient.

In recent years, a number of experiments have been made in various ports by creating cargo community systems, some more successful than others. Unfortunately this failed to develop into an EU wide exercise. There is however a bounty of ideas and examples that could fruitfully be used in drawing up a “green book” on breaking the “digital divide” in maritime activities. One of the most interesting aspects of these experiences is that they seemed to thrive without interfering with the legitimate commercial interests of various stakeholders: shipping lines, liners' agents, freight forwarders, shippers, terminal operators, etc.

The experience of CLECAT members in this domain is considerable and can be made available if required, even before the proposal is on the table.

B- In the context of the Intelligent Transport System action plan

Proposed action

⇒ *Establish a framework for the development of ITS applications, addressing also freight transport logistics, including monitoring dangerous goods and live animal transport, tracking and tracing and digital maps (deadline: 2009)*

Comment

⇒ Helping the development of a framework for ITS applications seems certainly an attractive idea. We must remember that this is not a new topic and there are organisations who have been working on it for a number of years both at EU level and at international level (e.g. ERTICO)⁸. Therefore it is all the more important to decide what a “framework for development”, in this context, is.

It is understandable that dangerous good and livestock might require additional investments. Tracking and tracing is however a well digested feature of our products and seems to meet reasonable favour amongst our clientele. Digital maps are commercial products that one can buy on request. We cannot understand what added value a community action would bring.

If this exercise is reduced to a gadget sale initiative, it will be short lived, because, CLECAT feels it may be difficult to ask companies who have successfully invested in the development of ICT solutions for their relations with their clients, to change their systems to new standards, if proposed now by the Commission.

⁸ <http://www.ertico.com/>

Whilst we understand the need for drivers of innovation, ITS applications manufacturers must understand that investments are made constantly only if they are appropriate and proportional, when they are well tuned to customers' demand and provide identified added value.

The EU could perhaps find ways of encouraging ITS manufacturers and service providers to perceive professional logistics and service providers as a mature market, ready to make investments only as and if they are justified.

Proposed action

⇒ Establish a regulatory framework for the **standardisation of functional specifications for a single interface** (on-board unit) for the provision and exchange of business-to-administration and business-to-business information (deadline: 2010).

Comment

⇒ Once the format of the information is standardised, it seems logical to standardise the system used to provide this information to relevant administrations as well.

We hope this proposal successfully addresses the concern of road transport operators, who have repeatedly sent alarming messages against the proliferation of boxes in the cabins of cargo vehicles.

In view of the undeniable importance of capturing and delivering qualified and comprehensive information in the end legs of the transportation chain, the importance of agreeing on workable, practical, cost-effective standards for on-board units cannot be overstated. This will be the pivotal “enabler” of a number of subsequent steps.

Whilst we see the advantage of adding a business-to-business dimension to a technical instrument which must be on board, we would not be in favour of tying the two dimensions together. We believe manufacturers should of course be free to offer additional features on top of the minimum legally required by their billing function, but this should be left to market arrangements.

Proposed action

⇒ Accelerate work towards **interoperability in electronic fee collection** and incorporate the necessary components into the single interface (deadline: 2008).

Comment

⇒ For the industry, interoperability of electronic fee collection is a necessity to avoid the multiplication of investments in various technologies, the proliferation of devices and an intolerable increase in administrative burdens. If we want to keep lean and mean in order to be effective, this is a must. The sooner it is achieved the better it is for the industry.

This is an area where a stronger instrument, like a directive could probably be used with good results and could become real close to the proposed deadline.

II- Sustainable quality and efficiency

A- Continuous Bottleneck Exercise

Proposed action

⇒ *Continue the freight transport logistics exercise and accelerate the work to **find practical solutions to bottlenecks**, wherever possible, while considering legal action where needed (continuous, first results by 2008)*

Comment

⇒ CLECAT, who is already actively participating in the exercise and chairs one of the sections, fully endorses its continuation.

This is certainly showing that a practical approach, an exhaustive scrutiny of practical examples and the assessment of proposed measures are the best way to beat that devil that is in the details.

Not only do we think this is very useful exercise, but we also agree that in time this working group should elaborate recommendations on how to overcome the identified bottlenecks, which could be used by the Commission in the legislative proposals. We believe the end of 2008 to contemplate the first results is a realistic perspective, in consideration that this exercise has now been running for sufficient time to bank on a certain amount of material.

B- Personnel & training

Proposed action

⇒ *The Commission will work with European social partners and other relevant stakeholders to draw up a **list of minimum qualifications and training requirements** at different levels of specialisation to be incorporated into a framework that can ensure the mutual recognition of **training certificates** (deadline: 2009)*

Comment

⇒ The objective of this action is to be strongly supported. The Commission has correctly identified one of the most important action items to secure a decent development to EU logistics in future. This is the best way to secure continuity in our strategy and to make sure a sufficient number of qualified individuals will be available to fulfil the logistics tasks of the future.

CLECAT suggests building on the professional standards drawn by FIATA, the worldwide freight-forwarding organisation (www.fiata.org). Fiata has a permanent, well maintained training system, which has been successful for many years.

Based on these existing standards, a list of minimum qualifications and training requirements could then be discussed and agreed on through sectoral social dialogue at EU level, eventually becoming a recognised set of training minimum standards for the entire EU.

The benefit of a “portable” set of qualifications is undeniable both for employers and employees.

Proposed action

⇒ The Commission to launch a dialogue with the European social partners to find ways to improve the **attractiveness of transport logistics professions** and highlight opportunities for targeting EU Cohesion Policy interventions towards logistics training (start 2008 and continuous thereafter).

Comment

⇒ CLECAT welcomes this idea and looks forward to further discussions on practical actions that could be undertaken and financially supported by the EU Cohesion Policy in order to promote transport logistics professionalism.

A number of additional opportunities, through appropriate ad-hoc life long learning training programmes, could be put in place both for workforces already employed in logistics and for personnel subject to outplacement from other sectors.

C- Improving performance

Proposed action

⇒ Establish, in consultation with the stakeholders, **a core set of generic indicators** that would best serve the purpose of **measuring and recording performance** (e.g. sustainability, efficiency etc.) **in freight transport logistics chains** to encourage a switch to more efficient and cleaner forms of transport and generally improve logistics performance. The Commission will then consider incorporating them into a **code of best practice or recommendation** (deadline: by end of 2009).

Comment

⇒ CLECAT welcomes the fact that the idea of a quality label system has been reconsidered, since the ultimate judge on service quality is the customer.

We are reluctant to accept a set of indicators mainly or exclusively designed to address environmental efficiency without paying equal attention to service levels. Both issues have dignity and both are important in our future. On the one hand we cannot avoid addressing the environmental problems we are facing, if we want to have a future at all, on the other we cannot forget that services must be commercially viable and offer competitive performance, if we do not wish our future to be far less attractive than we may wish.

Whilst sympathising with the proposed action, we believe that, in order to provide an accurate picture of logistic services' quality levels, generic indicators should cover the entire logistics chain, starting with the manufacturer and finishing with the end user.

In addition, each actor of the supply chain should be involved in the development of the indicators. We are not disclosing any secret in saying that market forces are already discussing the issue of performance indicators and have already commonly identified the objective of elaborating indicators that start with the shipper and terminate with final consignee.

We are of the opinion that the experience accumulated in this exercise can be fruitfully incorporated by the actions proposed by the Commission. Probably the best way forward for trade to benefit from the Commissions' input is to fully avail itself of the scientific and systematic approach that the Commission's services could inject into this exercise.

Once this exercise is complete we take the view that the result should be packaged into a toolkit, which traders and operators could use to assess their own procedures. We are more sceptical about

the idea of creating a code of best practice as such, because we are doubtful that a pan-EU code of best practice for the supply chain is a realistic objective.

In principle we do not see that a direct link between performance indicators and a code of best practice can be established. Performance indicators are most effective when they are precise and practical, whilst a code of best practice is normally functioning best when it is limited to general principles and does not encroach on businesses freedom of contract.

In addition, the Supply Chain is and should remain flexible. The more it is flexible and adaptable to local situations and conditions, the more it is efficient (even from the environmental point of view). A code of best practice is probably a more robust instrument than a toolkit, but it may not be so efficient when it has to come to terms with different local or regional situations. Without being too technical, just to give an example, frequency parameters that one would accept in a port-inland connection between Rotterdam and Munich may not work as well on a connection between Koper and Katowice.

This kind of action is in our opinion ill-fit for a code of conduct, but it can stand a chance to work in a quality toolkit.

A recommendation would offer guidance, but it is difficult to understand whether it would reach in the end farther than a practical instrument, favoured by and produced in agreement with the industry. This is for us a better option.

D- Benchmarking intermodal terminals

Proposed action

⇒ *Elaborate, together with industry, a set of generic (dynamic and static) **benchmarks for terminals**, starting from multimodal inland terminals, and incorporate them into a **code of best practice or recommendation** and disseminate information about them (deadline: 2010)*

Comment

⇒ CLECAT supports this action and recommends the involvement of both service providers and users of intermodal terminals. We are aware that some initiatives are already on the way (e.g. GL's⁹) and we wish to recommend that end users (shippers and freight forwarders) are always included in the preparation work. In the elaboration of workable paradigms, Academia can largely benefit from the assistance provided by a practical business approach.

The deadline is within reach and we fail to see why this should take one more year than the previous action point, which in our view is far more ambitious.

As regards the instruments, one must take into account that there is a certain degree of resistance to overcome, if one decides that a terminal does not offer adequate performance. The selection of a terminal is the result of the action of several logistics actors and very seldom the shipper or the freight forwarder can decide the change alone. This means that market forces alone are not able to seriously condition terminals' performance by means of their economic and bargaining power. In view of this aspect a recommendation seems the most appropriate proposal.

⁹ http://www.gl-group.com/scripts/index_fs.html?content=http%3A//www.gl-group.com/presse/278_11330.htm&top=/glgroup/3400.htm

E- Promotion of best practice

Proposed action

⇒ *Extend the role of the **Shortsea Promotion Centres** and their European network to **inland transport logistics** (deadline: continuous)*

Comment

⇒ CLECAT sees no value in such an action, if undertaken under the present SPC's conditions.

In our view, this proposal is flawed because using public subsidies in order to obtain a result that should keep its commercial nature does not seem a good option.

In addition this idea stems out of some wrong assumptions. Many confuse Short Sea Shipping and Motorways of the Sea. They are indeed quite different products.

Unlike SSS, MoS are wrongly perceived as an alternative transport mode. They are not an alternative mode: they may be an alternative conceptual solution to mitigate the problems coming from lacking, congested, or inefficient infrastructure. Or else, they could be a better option than land connections, when serious geographical constraints obstruct the free flow of road transport or make it inefficient.

SSS is instead an alternative mode of transport, but its main problems are identified in the excessive regulatory burden, which is correctly addressed by the e-freight initiative.

The idea that SPC's will cure an alleged lack of knowledge of alternative logistics solutions is overambitious. Knowing and finding logistics alternatives is at the heart of logistics service providers' expertise and our sector is very keen in seeing proper training standards adopted to make sure that logistics will work efficiently in the future. Education should be administered in the appropriate places, in schools, universities and professional training institutions.

Moreover, transport logistics includes a wide range of complex and constantly evolving services, which we believe would go well beyond the scope of the current competence of SPCs.

In this respect, the proposed action would seem somewhat in contradiction with the 'shortages of skilled personnel' as identified by the Action Plan.

In conclusion we see no value in mixing the fundamental mission of a school with the fundamental mission of these promotion centres, which in the end is advertising – hopefully only until they have succeeded – the advantages of SSS and MoS.

We wish to further elaborate on the danger connected with the use of public money: the information on, and provision of comprehensive logistics services are within the scope of our business, which is utterly commercial and is offered without subsidies of any kind.

We are certainly not afraid of additional competition, as long as it is not publicly-funded. Our stand on this is very firm: there is no danger in extending the scope of these promotion centres, as long as they do not receive a penny of public money and are obliged to fend for themselves on the market.

This option would also come to a considerable saving, which could be profitably used to enhance the level of the infrastructure which they are supposed to promote.

Proposed action

⇒ Establish a **network between logistics institutes** and promote industry initiatives to exchange experience and disseminate best practice (deadline: 2010)

Comment

⇒ CLECAT supports this action and looks forward to further discussions on concrete initiatives that could be undertaken at industry level. Logistics enterprises are naturally organised in networks and may find cooperating in this particular type of networking particularly easy and beneficial for both parties.

In this light our preference is the adoption of common vocational training standards, possibly in line with the Fiata diploma standards that have been showing good results all over the world. The Commission received information about these programmes from CLECAT and we hope that this attempt will come to fruition.

If the actions starts with a clustering strategy, we are of the opinion the time frame could be actually shortened.

F- Statistical data

Proposed action

⇒ The Commission together with the stakeholders will review the availability of and determine the requirements for **data on freight transport logistics across modes** and assess improvements to the collection of statistical information (deadline: 2009).

Comment

⇒ This review could be built on the pilot project on intermodal statistics led by the European Commission and Eurostat, and in which CLECAT is involved.

We appreciate the project is progressing at a slow pace and we have understood that not all parties involved have the same keen interest in using a common measuring unit (CLECAT proposed to use taxable tons or kilograms and a draft converter to reconcile existing incompatible measures). We are however persuaded that more can be done to achieve better results in terms of statistics and we shall not spare our energies, if required.

We appreciate mentioning that burden for the industry should be minimal.

III- Simplification of transport chains

A- Simplification of administrative compliance

Proposed action

⇒ Establish a **single window** (single access point) and **one stop-administrative shopping** for administrative procedures in all modes (deadline: operational by 2012)

Comment

⇒ Despite the fact this task is certainly quite ambitious and not easy to achieve in practice, CLECAT supports the concepts of 'one-stop administrative shopping' and 'single windows' as they have the potential of simplifying the performance of administrative formalities and thus reducing red tape. CLECAT is ready to participate actively in discussions on the practical

implementation of such concepts and put its rather extensive experience in Customs related matters at the Commission's disposal, if required.

This being said, we are of the opinion a number of legislative proposals will have to be prepared in order to achieve this goal. We shall be pleased to submit our comments on the individual proposals as they come to the table.

The time frame of this project is ambitious, but within reach and we must underline that a lot of work has already been done by TAXUD services.

Proposed action

⇒ *Make a legislative proposal on simplifying and facilitating short sea shipping towards a maritime transport space without barriers (deadline: 2008)*

Comment

⇒ Among other concerns the following two have repeatedly been brought to our attention by CLECAT Members. The issue of loss of EU free circulation status when vessels leave an EU sea port will have to be addressed and a number of security related issues will equally have to be brought into this scheme.

Duplication of controls and administrative procedures certainly is an obstacle to intra-European maritime transport. Therefore, CLECAT fully supports the objectives of the concept of European maritime space without barriers and will constructively contribute to its development and implementation.

Again, this is a task that will require patience and plight in view of its complication. We are uncertain about a time frame of one year; we would encourage a more realistic approach.

B- Single transport document

Proposed action

⇒ *In consultation with interested parties, the Commission will examine the details and added value of **establishing a single transport document for all carriage of goods, irrespective of mode.** The Commission will then consider making an appropriate legislative proposal (deadline: 2009)*

Comment

⇒ At first sight this would look like a legitimate expectation and an appealing solution to facilitate EU business. Unfortunately this is the typical example that not all that shines is gold.

A single transport document necessarily implies an international agreement. CLECAT has serious doubts that this exercise can ultimately be successful. Indeed, not only is it likely to prove a difficult task, but it is also very unlikely to prove practically beneficial.

It will be impossible to impose an EU single transport document to the rest of the world. The international dimension of logistics needs an internationally accepted solution. So far this has just been a dream and no attempt in the last 30 years has been successful. We wonder whether renewing our efforts now that the global dimension of our economies is so clear makes sense at all.

Whilst they are not universal, business solutions (such as the Fiata Multimodal Bill of Lading) exist and offer practical alternatives to those who are afraid of the complications of international transport law. The Commission has correctly identified this option. On the other hand those who feel confident enough to measure their skills in the international arena seem to have few problems in negotiating adequate insurance cover and collating the elements of the chain from their original components, as best as this suits their purpose.

This being said, we are of the opinion that there is a veiled side in this complex issue, which might stand a better chance of practical solution. On the one hand it is true that intermodal transport services are delivered by using different transport documents and this creates a certain degree of difficulty. On the other hand, if we put the issue of the different liabilities to the side, some of the remaining problems could be successfully addressed by an agreement on a set of harmonised data elements, which are valid for all transport documents. They could be made compatible with existing documentation as referred by international conventions and digitalised. This is not an endeavour of negligible difficulty, but it is something that could be achieved without encroaching on international arrangements and therefore stirring excessive opposition.

If the scope of this exercise is limited to the above objective, which could be properly accommodated in a recommendation, we see no reasons why CLECAT would not wish to explore this possibility with genuine commitment. The only perplexity is the time frame; we believe 2009 is too soon for a full harmonisation of data elements in all transport modes.

C- Liability

Proposed action

⇒ Assess the need for introduction within the EU of a **standard (fall-back) liability clause** (deadline: consultations by 2008, possible proposal in 2009).

Comment

⇒ CLECAT welcomes the fact that the European Commission seems to be willing to await the outcome of UNCITRAL work before taking any further step.

However, the proposed timing seems extremely short to accurately assess the added value of an UNCITRAL Multimodal Liability Convention, since it is only after a minimum period of use that a precise opinion will be formed. A more realistic time frame would be 5 years after entry into force.

The majority of stakeholders have repeatedly submitted views to the Commission that an EU only liability regime would be “just another one” and therefore increase complication instead of reducing it. As a fall back clause, we do not believe it would be effective with non-EU operators, if not assisted by a bond system. We believe however that it is questionable whether it is practical to impose a bond system to all non-EU operators. This might backfire in higher price levels and result in less choice for EU shippers.

In short, we see this as measure that will add no benefit, but may entail a number of negative consequences.

Proposed action

⇒ Assess the need for a legal instrument to allow full coverage of the existing international, mode-based **liability regimes over the entire multimodal logistics chain** (deadline: consultations by 2009, possible proposal in 2010).

Comment

⇒ The assessment of gaps between mode-based liability regimes would be a useful exercise in which all supply chain actors should participate. Once this substantial task has been completed, the characteristics and deliverables of an EU instrument filling such gaps would have to be studied.

For example, assessing the different treatment of ferry crossings in the EU and analysing a possible mandatory liability regime comparable to the CMR convention for operators offering Motorways of the Sea services could be looked at with interest.

This being said any further steps should be carefully examined, in order to avoid expanding into an action which would encounter all the pitfalls we have listed in the previous two proposals.

D- Security

Proposed action

⇒ Start developing **European standards**, in line with existing legislation, international conventions and international standards, in order to **facilitate the secure integration of transport modes in the logistic chain** (deadline: 2008)

Comment

⇒ CLECAT concurs on the fact that compatibility within existing security legislation (aviation, Customs, maritime) and with other existing standards (e.g. PAS ISO 28000) would be desirable.

At the same time CLECAT Members have been more than vocal in drawing our attention to the lack of mutual recognition in security measures and the apparent inconsistency of provisions, even at mere language level, for example, either sides of the Atlantic.

In aviation, where this problem appears to be more acute than anywhere else, CLECAT participates in an initiative called ACSIF (practically all stakeholders connected with airfreight) which is aimed at providing guidance on how to conciliate the different understanding of security requirements in different areas of the world. One of the first deliverables will be a toolkit to compare different wordings on similar activities in different security legislation in the US, EU, ASEAN etc.

The main difficulty identified by operators is the proliferation of different and often incompatible standards. At the light of the above, we would prefer an exercise aimed at producing a toolkit to instruct operators to deal with existing different standards, rather than adding an entirely new standard at EU level, which cannot but add confusion by its mere existence if it comes into being.

We imagine the deadline could be met, especially if the scope of this action is confined to the dimension laid out above.

Proposed action

⇒ In the context of the work on **guidelines and minimum standards for maritime and port security matters**, simplify port access requirements (deadline: 2008)

Comment

⇒ Since the uncoordinated accumulation of security passes can indeed have a harmful impact on port efficiency, a simplification process would be advisable.

On this topic we believe our sector is not always directly involved, with the notable exception of all Customs and security related activities. Other than that area in particular, where we are always present and available, we believe the Commission should bank on the considerable experience of other stakeholders who are directly involved in navigation and port management.

IV- Vehicle dimensions and loading standards

Proposed action

⇒ Study the options for a **modification of the standards for vehicle weights and dimensions** and consider the added value of **updating Directive 96/53/EC** (deadline: 2008)

Comment

⇒ CLECAT supports a revision of Directive 96/53 in order to:

- Provide legal certainty on the intra-European movement of **45' PW containers**
- Create a legal framework for the use of the **modular concept** at EU level.

CLECAT has provided consistent and conclusive information on the advantages that the facilitation of the above two items would bring.

It is impossible to believe that a number of high level professionals and policy makers may still question these advantages with untested, emotional and inconclusive deliberations.

The deadline is within reach if emotions are kept out of this discussion, which should remain in the domain of rational tested evidence.

Proposed actions

⇒ Update the 2003 proposal on **Intermodal Loading Units** to technical progress (deadline: 2007)

⇒ Establish a mandate for **standardising an optimal European Intermodal Loading Unit** that can be used in all surface modes (deadline: 2007)

Comment

⇒ CLECAT does not see much value in updating the 2003 proposal on intermodal loading units when a revision of Directive 96/53 allowing intra-European movement of 45' PW containers would be sufficient. Moreover, CLECAT is not in favour of a brand new EU standard, which would be of limited avail, if not compatible with equipment used also outside the EU.

We believe that 45' PW containers can fulfil such intermodal purpose perfectly. Despite all the obstacles that EU regulation 96/53 has created, the market penetration of 45' PW containers seems rather large (10-25%). Without legislative impediments, it could become the standard de facto, without any additional requirements. Considering such containers have compatible dimensions, they could indeed be used instead of trailers, on the road or in other transport modes without restraint.

Proposed action

⇒ *Examine the compatibility of loading units used in air transport and other modes, and, if appropriate, make proposals (deadline: 2010)*

Comment

⇒ There are numerous reasons (physical limitations, difference in commodity occurrence, additional weight in airfreight, a transport mode that needs light equipment, etc.) to suggest that this is not a practical idea.

CLECAT Members have never suggested that this could be identified as an objective, or that it could have the merit of addressing a felt problem.

For the above reason, it might be that the only beneficiaries of this exercise are the standardisation bodies themselves, but this would be in our view not sufficient to justify an action which might require time and money.

V- Green transport corridors for freight

Proposed action

⇒ *Define green transport corridors and organise cooperation between authorities and freight transport logistics operators in order to identify improvements to ensure adequate infrastructure for sustainable transport (deadline: 2008)*

Comment

⇒ The concept of green transport corridors seems interesting. There is however a lot of uncertainty on the practical implementation of the concept, which means a lot of embryo concepts must be clarified, before a full appraisal of this proposal, can be made.

Whereas other proposed initiatives (rail freight-oriented network, Motorways of the Sea and the NAIADES programme) are integrated into the concept of co-modality and carry a precise identity, the 'green' umbrella under which they seem to be supposed to come is less clear.

It is also unclear which role will be played by road transport and how much would it be part of the green corridors concept. There are references to bio-fuels and "green" propulsion systems, but more precision is needed in our opinion.

In any event it is important that this does not become an instrument of discrimination rather than integration. One should not create situations where short sea shipping, rail and inland navigation enjoy a kind of 'green label' merely as opposed to long haul road transport. If it is decided to give a special recognition to enhanced environmental compliance, this could be given to all those corridors where consistent achievements have been measured (e.g. using vehicles that are minimum Euro 3 or higher).

The idea of granting full and fair access to terminals is good, especially when referred to marshalling yards, but this should not be limited to green corridors, it should be normal everywhere.

Environmental performance and energy efficiency are the duties of the entire freight transport sector and all its modal components. All modes have to contribute and – unfortunately – there is still a long way to go in order to achieve the Kyoto objectives.

The logistics sector is ready to contribute in all the parts of Europe (and worldwide, even if this is not strictly CLECAT policy) to reduce emissions. We believe we have to encourage the future development of technologies for lower emissions in all modes of transport, including road. We are interested and available to cooperate with manufactures and institutions alike in the pursuit of this ambitious, but necessary, objective.

As regards the proposed deadline we are inclined to think that the end of 2008 could be a target for initiating a season of dialogue between logistics service providers and authorities, but we are more inclined to a longer time frame if all the good proposals we read must come into fruition.

Proposed action

⇒ Reinforce green corridors in the **TEN-T** and in the **Marco Polo priorities** (deadline: 2010)

Comment

⇒ In view of the comments on the previous action, CLECAT calls for further clarification and detailed presentation of the concept of green transport corridors and its practical implementation. It is necessary to understand what kind of advantages over and above the rest these corridors would afford.

Proposed action

⇒ Develop a **freight-oriented rail network** (deadline: Proposal by 2008 / corridor structure by 2012)

Comment

⇒ CLECAT strongly supports the setting-up of a rail freight-oriented network with clear **priority rules in favour of freight** transport and the possibility for **authorised applicants** to request slots throughout the network.

CLECAT not only believes these two actions are necessary and commends the Commission for taking these actions at heart. CLECAT also believes that these two elements will contribute significantly to the development of rail freight services in the EU and will eventually contribute to reducing emissions and congestion in our continent. These will be key elements in the creation of railway undertakings' future success.

The time line seems more than reasonable and should therefore be accepted.

Proposed action

⇒ Promote the establishment and recognition of **Motorways of the Sea** through, among others, a better co-ordination of different funding sources (deadline: 2008)

Comment

⇒ As explained in the past, CLECAT supports the concept of Motorways of the Sea as an additional transport solution for logistics service providers. This solution will only be commercially viable if it shows clear topographic advantages or contributes to relieving congestion. It must show service quality level equivalent to its competitors' (land motorways and rail connections).

CLECAT maintains that public funding should be used to create new services where they do not exist and should be limited to the start-up phase.

Proposed action

⇒ *Implement the NAIADES programme for inland waterway transport (deadline: full implementation by 2013)*

Comment

⇒ CLECAT supports this action, the topography of the European continent and the specific qualities of this mode could enable IWT to play a more substantial role in freight transport in Europe, wherever the existing infrastructure is in place or can be developed. Combined with some specific qualities (relatively low cost, environmental performance), these characteristics allow for positive development perspectives of IWT.

We hope the industry will find the time line for this implementation acceptable, considering it spreads this programme in over six years.

VI- Urban freight transport logistics

Proposed actions

⇒ *The Commission will encourage the exchange of experiences of representatives of urban areas to help establish a set of **recommendations, best practice, indicators or standards for urban transport logistics**, including freight deliveries and delivery vehicles (deadline: Urban Transport Action Plan in 2008)*

Comment

CLECAT recommends that users and professional operators be regularly and certainly consulted in the development of these instruments.

Proposed actions

⇒ *Make recommendations of commonly agreed benchmarks or performance indicators to measure efficiency and sustainability of **delivery and terminals** and, more generally, in urban transport logistics and planning (deadline: 2011)*

⇒ *Reinforce the freight part of **CIVITAS** towards better co-ordination, or integration, between passenger and freight transport, between interurban (long distance) and urban transport logistics. This can lead to an integrated “CIVITAS Freight” (deadline: 2010)*

Comment

⇒ Although CLECAT does not have any strong opposition to the ideas of exploring best practices for urban transport logistics or agreeing on performance indicators for deliveries and terminals, we should call for everyone to reflect on the fact that the “last mile” or end leg of the journey is one of the areas where competition is the fiercest. This is the area where efficiency plays an important role in reducing costs and winning new customers. For evident reasons encroaching on business commercial interests is not easy, any measure intended at regulating this slice of the market must be made in close contact with interested stakeholders.

We should also like to dispel a widely spread wrong belief: freight vehicles do not happily suffer from, and participate in peak-time urban congestion: they have no choice.

When congestion is not artificially created by local regulations (e.g. delivery vehicles allowed in the centre between 07.00 till 10.30 only, which is a frequent measure all over the EU), other

constraints create conditions for congestion, for example customers' requirements (e.g. all deliveries required at 08.00 or at 14.00).

The shorter the time slot for deliveries and collections in the 24 hours the less efficient they become. This is why CLECAT, in its reply to the Commission's consultation on urban transport, proposed to encourage deliveries and collections at off-peak times, bearing in mind that this solution would entail substantial changes in the work methods of many actors in the supply chain (forwarders, carriers, shippers, workers etc.). For this reason we welcome the freight dimension of the CIVITAS Programme, hoping it could be used to undertake projects in some European cities. This could become a guiding experience in conciliating freight and passengers' needs.

A set of recommendations in this context would certainly prove quite useful. We take this opportunity to renew ours: freight vehicles should be allowed on priority lanes in city centres. This measure would contribute to logistics efficiency and in the long run could contribute to reducing overall congestion.

CONCLUSION

The Freight Transport Logistics Action Plan is a far-reaching and ambitious scheme which has the commendable objective of making freight transport logistics work (even) better than it already does. It also contains elements that are apt to addressing the issue of CO2 emissions and environmental concern in a broader sense.

If one looks at the current position and development of the EU logistics sector, its service quality level is rather good. When one considers that many logistics activities do not necessarily need to be outsourced, the fact that that manufacturers and traders decide to do so is sign of appreciation. Logistics – as a separate business activity – is and must remain an option, where EU traders find solutions they wish to pay for because they are better than they could arrange themselves.

Resorting to professional transport operators is a saving in itself. Logistics service providers are inclined to save on transport and energy resources to make their business run efficiently. More and more our companies are factoring the environment in their parameters of efficiency and we think the Commission proposals have the merit of encouraging them onto this promising (and tricky) pathway.

In implementing the various actions suggested in the Commission's document, the first challenge will consist in respecting this business perspective. Nothing should be contained in the implementation of this programme that could decrease the quality of EU logistics performance, or even its appeal to customers.

The European Commission has been willing to tackle many a possible aspect of freight transport logistics. Whilst this comprehensive approach is understandable and commendable, it is clear that all the planned actions do not enjoy the same level of priority and importance. In reality some of them may be either too far fetched or impractical, but even those we perceive with scepticism should be given the benefit of analysis, unless they are in clear conflict with the free market.

As the voice of the forwarding and logistics sector in Europe, CLECAT would like to give its own list of priorities. These, we believe, would have the most positive impact on logistics operations and freight transport in general in the European Union, without impeding freedom of contract and well functioning business solutions that are already in place:

- Updating **Directive 96/53** in order to
 - provide legal certainty on the intra-European movement of 45' PW containers and
 - create a legal framework for the use of the modular concept at EU level
- Drawing a list of minimum requirements and **training** qualifications, based on standards developed by the logistics industry
- Developing a **rail freight-oriented network** including clear priority rules for freight
- Implementing the concept of **authorised applicants** at EU level
- Establishing an **EU maritime space** without barriers
- Establishing conditions for **single windows** and one-stop administrative shopping for administrative procedures in all modes
- Recommending better use of the 24h of each day for **urban deliveries and collections**

As we have repeatedly stated in the above paragraphs, both the Commission and other stakeholders can count on CLECAT for help, suggestions, evaluation, in one word all possible cooperation for us to draw the picture of how we, as European citizens, wish logistics to work in the next few years. In doing so wisely and prudently, we shall dictate its possible success in future competitive global markets.