

# FIATA

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**MULTIMODAL TRANSPORT INSTITUTE (MTI)**

**Doc. MTI/584**  
**2012-11-23**

To: **THE DELEGATES OF THE MULTIMODAL TRANSPORT INSTITUTE**

cc: Members of the Extended Board  
Honorary Members of the Board  
Honorary Members of FIATA  
Association Members  
CLECAT

From: René Zimmermann, Secretary of the Institute  
on behalf of Mr Christopher J. Gillespie

Subject: **Meeting of the Multimodal Transport Institute**  
Los Angeles, United States, 11 October 2012

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**PRAESENTIA:** Enclosed with minutes as Annex I

**AGENDA:** as per Doc. MTI 583

## **Minutes**

### **1. Opening of the meeting and welcome by the Chairman, Mr Christopher Gillespie**

The Chairman of the Multimodal Transport Institute, Mr Christopher J. Gillespie, opened the meeting at 09.30 hours and welcomed the participants.

He read at the beginning of the meeting the following statement:

*FIATA policy strictly prohibits any discussion or other communication the purpose or effect of which is to set prices, allocate markets or customers, engage in tying arrangements or refrain from purchasing any goods or services from any particular supplier or vendor. It is mandatory that you familiarize yourself with FIATA's written antitrust policy which the secretariat has made available to all participants.*

Lawyers attending the meeting: Mr Richard Gluck and Mr Kurt-Jürgen Schimmelpfeng

The Chairman mentioned that FIATA had prepared a position paper on emissions and that had now been published and could be downloaded from the FIATA Website. This contains a short executive summary at the beginning.

### **2. Approval of minutes of the MTI meeting in Zurich on 16 March 2012 (Doc. MTI/574)**

The minutes were approved without comments or amendments.

### **3. UN Sanctions – presentation by Dr Jonathan Brewer – UN Panel of Experts, United Nations Headquarters, New York**

Dr Brewer provided a presentation on UN Sanctions on Iran, which was extensive and clear in highlighting the limitations imposed by the sections' regime. (*Note be the Secretariat: The presentation can be downloaded from the FIATA Website > Downloads > Multimodal Transport Institute*)

Mr Gillespie mentioned that it is a really important and a fundamental issue that freight forwarders achieve complete knowledge of who the shipper of the cargo is before they undertake to accept its goods.

#### **4. Report of Working Group RAIL TRANSPORT, presented by Dr. Ivan PETROV, Chairman of the Working Group**

Mr Gillespie, whilst asking Mr Petrov to initiate the audition of other speakers, starting from the rail mode, said that speakers from the Congress venue's local rail community have been regularly invited. In future the MTI's aim will be to ensure the presence of speakers from the road, rail and maritime industry depending on the congress location.

Mr Petrov reported that the last joint meeting of the Permanent Contact Group UIC/FIATA including the CLECAT rail logistics institute which took place on 18 and 19 September 2012 in Odessa / Ukraine, the majority of the discussed issues being connected to railway undertakings in the CIS countries. The centralisation of the large railway undertakings into 100% state owned enterprises as operator and wagon owners, container and combined transport carriers, terminal operators and logistics companies took place in Russia, Belarus, Ukraine and all other countries in this area. As a result wagons are controlled by new companies and they are not allowed to load, except with a special agreement with the cargo wagon owner. Plenty of cargo is waiting at the CIS country borders and no extra wagon capacity is free for loading. There is frequent refusal to transport cargo by rail because of a lack of rolling stock, meaning that 2012 is critical crucial for the railway business within the Europe CIS countries. The joint Working Group came to the following conclusions: to continue meeting and to report on practical problem, which seem to be overlooked by the railways. The Ukrainian freight forwarders Association will arrange a meeting with the Ukrainian Railways and reach an agreement with the new established companies and owners of wagon material.

EU regulation 913/2010 (TEN-T Corridors) is in force and cannot be easily changed. But the EU regulation meets only a part of the requirements of the railway undertakings. Many parts of the regulation are not defined in detail and therefore can be interpreted in different ways, as there are different responsible parties to implement the regulations. The freight forwarders and the logistics companies may participate as terminal and block-train operators.

The Trans-Siberian corridor (TSR) is a connecting link between European countries and Asia-Pacific region countries. The TSR originates in Moscow and ends in the Far East, at Vladivostok/Port Vostochny (the gate to the TSR) covering in total 9982 kilometres. Actually the majority of the traffic runs from Europe to China and vice versa.

The Chinese, Mongolian, Russian, Belarusian, Polish and German rail companies are involved in developing the Eurasian Land Bridge. A close cooperation between the companies is necessary to establish competitive products on the market since processes involved a wide range of technical and organizational conditions, including different electrical systems, operating regulations and customs procedures. The Chinese transportation and logistics market will continue to be marked by rapid growth and enormous economic potential in the future; especially the Western provinces have an immense interest in having this rail land link to Europe. Growing freight transport within China coupled with continuing shifting of production facilities to the hinterland offers potential for rail and combined transports.

The Russian government, Russian Railways and the CCTT are developing and implementing the following measures:

- Large-scale investment projects in the eastern part of the Trans-Siberian to ensure the growth of rail transportation and transit between Russia and China;
- Enhanced approaches to seaports;
- Modernizing and upgrading container terminals to international standards;
- A comprehensive reconstruction of the Karymskaya - Zabaikalsk is underway to provide increasing volumes of cargo transportation to China (especially oil);
- By 2015, Russian Railways plans to send about 50 billion roubles on upgrading the Trans-Siberian.

The Joint Working Group has accepted the kind invitation from “Express Interfracht” to hold the 5th Rail market place seminar in Vienna / Austria 18 and 19 April 2013. It was decided to change the seminar dates from autumn to spring in order to welcome more participants. We expect about 200 participants and it is planned for the first time to offer translation service in English, German and Russian language. Possible topics for the next Market Place Seminar (business oriented platform) may be:

- New business designs for inland terminals in conjunction with the Danube River shipping and rail roads
- Creating customer value with multimodal transport solutions
- Infrastructure: from being a bottle neck to becoming an enabler of combined traffic
- Transport facilitation between East and West
- Trans-Siberian rail traffic (Wide gauche project up to Vienna)
- Combined Transport to and from Turkey via Adriatic ports

We are expecting interactive exchanges of views and perspective from rail operators (state owned and private), logistics and forwarding companies, rail terminal owners, shippers/customers.

#### **5. The cooperation between freight forwarders and Railway Companies in North America – Presentation by Mr Tom Malloy, Norfolk Southern RR**

Mr Malloy gave a presentation on Intermodal Services in the United States, which was informative and contained a wealth of detailed information. (*Note be the Secretariat: The presentation can be downloaded from the FIATA Website > Downloads > Multimodal Transport Institute*)

Mr Horisaki asked a question about the volume split of the different customers of NS (Shipping lines, NVOCC's, manufactures. Furthermore, he was interested in the impact on intermodal transportation within the USA when the “new” Panama Canal will be opened for larger vessels in 2014.

Mr Malloy supposed that the Panama Canal, ready as from 2014, will not have a huge impact on intermodal services. All water services already exist from Asia to the US East coast ports therefore the transit time is also an important factor for importers and services via West coast ports are much faster than via the East coast. He felt that the Panama Canal provides a great opportunity for Mexico and Latin America. There are a lot of customers dealing with huge quantities of cargo such as chemical products, coal and automotive car/parts. These commodities are handled directly with the manufacturers. The intermodal services are more involved in the whole sale industry.

Mr Parisi asked a question about short haul rail transport services under 750 miles and he asked whether intermodal services are inappropriate and uncompetitive below this distance. The Speaker replied that nowadays, from an economic standpoint it is mostly not advisable to offer intermodal services below 700 miles but there are also existing services below 500 miles (e.g. from Charleston to Atlanta).

#### **6. Report of Working Group ROAD TRANSPORT, presented by Mr Kostas SANDALCIDIS, Chairman of the Working Group**

Mr Gillespie introduced then Mr Sandalcidis by saying that he had encountered the same problems many of us do when we work with governmental organisations that influence our work. Several of the items stay for a long time on the agendas (e.g. safe parking areas for drivers) without a real breakthrough. This explains the repetitiveness of some items.

Mr Sandalcidis reported that since the FIATA Headquarter Session in Zurich / Switzerland, the Working Group Road Transport met in Brussels/Belgium on 24 September 2012 and gave account of the items debated on that occasion. He said that the Italian delegate had reported that since last year the truck tariffs have been controlled by the government and they are reviewed on a monthly basis. FEDESPEDI started legal action against this new law. The antitrust authorities supported FEDESPEDI in this case. It is now a court case and all involved parties are awaiting the court verdict. The WG came to the conclusion that such an action in a free market is not acceptable. The Bulgarian delegate noted that in the past, national authorities tried to regulate the freight forwarders' industry. There have also been attempts to implement minimum tariffs for road transport, but so far without success.

In Turkey visas for truck drivers are still a problem and a major obstacle for a free and efficient trade. UTIKAD had not been able to find a solution in order to solve these problems yet. At the Caucasus borders X-ray controls remain a problem for the truck drivers and there should be binding regulations about the procedure of such inspections.

The new EU Eurovignette Directive was adopted on 12 September 2011, by the EU Council of Ministers. Member States have 2 years to transpose it into national law (from the date that it is published in the Official Journal (pending)), but have no obligation to implement charging systems. They must comply with the directive if they choose to do so. The new Directive gives the opportunity to charge for the use of infrastructure and for external costs (local pollution and noise). The EC has decided to launch a public consultation on a possible new initiative on road charging with a view to ensure interoperability.

The EC reviewed the directive 96/53 (Weight and dimensions of heavy commercial vehicles) in order to adopt new technologies and needs to facilitate intermodal transport. The directive does not prohibit cross border use of the European modular system. Mr Barroso (president of the EU Commission) had affirmed that the EC will review the directive in order to get full legal clarity in regard to the rules on cross border transportations.

CLECAT is in favour of a Single European Transport Area and this for several reasons. Their paper is still under discussion and includes the problems caused by driver shortage within the whole European Union. Furthermore, the WG has discussed the item of Heavy-Duty (HDV) CO2 Emissions. FIATA had just published a position paper on emissions. Since the last meeting in Sofia, the situation had not changed in regards to secure parking areas. The demand for secure parking areas still exists, but there are insufficient secure parking places, especially outside the European Union.

The IRU had reported that the TIR Convention would soon be reactivated in Afghanistan. The TIR convention should be signed by the end of 2012. IRU intends to persuade also Saudi Arabia to be part of the TIR Convention and for this reason a meeting took place in Riyadh. If Saudi Arabia joined the convention, this would be an important step forward in this region. In order to plan further expansions of the TIR Convention, IRU decided to open a regional office in Casablanca / Morocco. No further developments have been reported for China, Pakistan and India.

As of today, the IRU TIR-EPD is operational in 19 countries, which will greatly facilitate border crossing at the Eastern border of the EU for all operations with a destination in the new Eurasian Customs Union. This system is for the moment not applicable for customs to customs operations.

Mr Rogge referred to FIATA's demand for sufficient secure parking areas within Europe, but in his opinion the carriers are not willing to finance it. Regrettably, not all shippers and truck carriers have realised that these would reduce theft and other crimes.

## **7. Report of Working Group SEA TRANSPORT, presented by Mr Robert KEEN, Chairman of the Working Group**

Mr Keen reported on global items related to maritime transportation, as provided in the annex<sup>1</sup>

In response to a question asked by a Nigerian delegate, Mr Keen replied that the wording "said to contain" in the declaration of the bill of lading and the general standard trading conditions should ensure that accurate information is given to the freight forwarders.

In response to a question from the floor, Mr Keen confirmed that 100% physical scanning will never work, but this is still the law in the United States. The shipper is responsible for the container weight when loading a CTU (Cargo Transport Unit).

Brian Lovell reported that in Australia they weigh every single container (export and import) in one of the ports using weighbridges. FIATA is not against certain changes and he mentioned that the WG visited the port Kaohsiung and took note that this could be done within the local weighing procedure.

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<sup>1</sup> Mr Keen's report is enclosed with the minutes as Annex II

Mr Gillespie said that when a container comes into the port it is somewhat late and we missed protecting ourselves from the danger of overweight containers from the loading point to the port. The dispatchers in Canada and United States know exactly the proper payloads which is put into the containers.

**8. Suggestions by delegates of subjects to be dealt with by the MTI and the working groups of the Institute**

Mr Gillespie encouraged the delegates to bring forward their items of concern and issues where the experts could be of assistance. They could send their request to the FIATA Secretariat in the meantime. The Secretariat will address each item by contacting the appropriate body and FIATA revert. Today there were no requests from the floor.

**9. Any other business**

Today there were no requests from the floor. Nothing was reported under this item.

**10. Date and place of the next meeting**

The next MTI meeting will take place on Saturday, 16 March 2013 from 15.45 hrs to 17.45 hrs during the FIATA Headquarter Session in Zurich / Switzerland.

There being no further business, Mr Gillespie thanked the delegates for their active participation and closed the meeting at 11.10 hours.