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REGION EUROPE (REU)

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To: **ASSOCIATION MEMBERS OF FIATA IN THE REGION EUROPE**

cc: Members of the Extended Board
CLECAT

From: René Zimmermann, Secretary Regional Meeting Europe
on behalf of Dr. Ivan Petrov, Vice-President of FIATA

Subject: **Meeting of the Association Members of the Region Europe**
Los Angeles / United States, 2012

Praesentia is enclosed with the minutes as Annex I
Agenda as per Doc REU/054

Minutes

1. Opening of the meeting and welcome by the Chairman, Dr Ivan Petrov / Bulgaria

The chairman, Dr Ivan Petrov, opened the meeting of the Region Europe at 16.40 hrs and welcomed the participants. He specially welcomed Mrs Nicolette van der Jagt, who participated for the first time in a FIATA World Congress as a Director of CLECAT.

At the beginning of the meeting he read 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.

Mr Olivier Schoenmaeckers (Belgium) attended the meeting as legal advisor.

2. Approval of the minutes of the meeting in Zurich / Switzerland on 16 March 2012, (Doc. REU/053)

The minutes were approved without comments and amendments.

3. Specific issues Delegates from non-European Union countries wish to table at the meeting

3.1. Road Transport related matters outside the EU (Mr Kostas Sandalcidis)

Mr Sandalcidis reported that the Customs Union between Belarus, Kazakhstan, and Russia came into existence on 1 January 2010. Belarus, Kazakhstan, and Russia are to continue economic integration and were set to remove all customs borders. Russia has worked to integrate Tajikistan and Kyrgyzstan into the Customs Union. Kyrgyzstan had stated their desire to join the Customs Union. Tajikistan also plans to join, but due to its lack of a common border with any current

member state, it must wait until neighbouring Kyrgyzstan, which borders the current member state Kazakhstan, is granted membership. This would permit that cargo travelled on land transport from the Chinese border to the European Boarder under one customs territory. This would simplify transport services between these two major trading partners.

4. Short review of the EU legislator recent proposals as regards:

4.1. Road Transport related matters

Mrs Van der Jagt¹ reported that the Article 17(3) of Regulation (EC) No 1072/2009 requires the EU Commission to draw up a report on the state of the EU road haulage market by the end of 2013 and DG MOVE to develop policy scenario's for further opening road transport market including cabotage. There is a shortage of drivers within the EU and the problem is very serious. It is difficult the get qualified drivers. There is a need to improve on the image of this profession. The freight forwarding industry is in favour of the liberalisation of domestic road transport markets and the creation of a single European transport area with simple rules that improve the overall efficiency and quality of road freight services, without adding to the burden of bureaucracy associated with regulating an industry.

The EC has decided to launch a public consultation on a possible new initiative on road charging (Eurovignette). In future the charging system should be interoperable. Charing systems have to be fair, transparent and non-discriminatory among the different modes.

The EC will review the EU Directive 96/53 on weights and dimensions of heavy commercial vehicles in order to adopt new technologies and to facilitate intermodal transport and as well as to allow cross border transport by EMS. In this regard, there will more pilots programmes within the EU.

In response to a question asked by Mr Popa, Mrs Van der Jagt confirmed that CLECAT pleaded that road charges not be used for modal shift policy.

Mr Delen asked about the CLECAT position on cabotage and Mrs van der Jagt replied that they are in favour of full cabotage and also mentioned in their response to the high level group.

4.2. Rail Transport related matters

Mr Petrov reported that the last WG Rail transport meeting took place in Odessa where the topics were non-European Union related matters.

Mrs Van der Jagt² reported that the EU Commission had the ambition to create a Single European Railway Area, with a greater use of more energy-efficient modes: 30% of road freight over 300 km should shift to other modes by 2030, and more than 50% by 2050. The Trans-European transport network (TEN-T), to be completed by 2050, will connect all core network airports to the rail network and all sea ports to the rail freight system. During October 2011 the Commission announced the launch of a new proposal (4th railway package) in order to enhance the quality and efficiency of rail services. The recast was adopted before summer 2012

Three impact assessments were launched:

1. The role of the European Railway Agency, interoperability & safety
2. Institutional arrangements of the rail market
3. Legal barriers to access to domestic passenger market

The proposal for a 4th package should be adopted early 2013.

Single wagon operation is expensive, but there are some initiatives e.g. X-Rail project which is driven by the incumbents. The system is regrettably not open for the newcomers.

4.3. Ocean Freight related matters

¹ Mrs Van der Jagt slides on road transport are enclosed with the minutes as Annex II

² Mrs Van der Jagt slides on rail transport are enclosed with the minutes as Annex III

Mr Keen³ mentioned that the proposal to reduce sulphur content in maritime fuels is limited in specific areas so-called SECA (Sulphur Emission Control Area) which is within the English Channel, North Sea and Baltic Sea. In his opinion this regulation should cover the whole of the European Union area and not just provide a patchwork solution. FIATA has a position that the action should be addressed by the IMO (International Maritime Organisation). FIATA has prepared a position paper which had just been published.

The EU Commission started its consultation of port users in June 2012. A Port Conference took place in September 2012 in order to discuss the results and exchange views. A possible new legislation for ports services will come into force in 2013.

Mr Keen continued by reporting that ICS (International Chamber of Shipping) and a few more countries had supported a representation to the IMO (International Maritime Organisation) for the mandatory weighing of containers at the ports. FIATA felt that this would cause unnecessary delays and slower traffic flow. Once a year in September the IMO holds its annual meeting and recently they considered that the proposal and the item of mandatory container weighing should be postponed. The language was different than by previous meetings and they said that the weight should be verified before loading. A joint FIATA/CLECAT position paper on the weighing of container has been published this week. It seems that IMO is moving away from the mandatory weighing on the point of loading onto the ship, preferring other means of verification of the container weight.

4.4. Airfreight related matters

Mrs Van der Jagt⁴ reported that the EC REGULATION No 185/2010 implementation rules on aviation security are now under discussion because the transitional period ends on 29 April 2013. The shippers have two options. Either they become a known Consignors (KC) or they adopt the full screening. Some of them must go through an independent validation in order to receive the status of a known consignors. The EC wanted to increase the number of KC's.

There were also other developments on the new legislation of 3rd country (ACC3) requirements: an this party validation is possible even if provided by the industry, but only when the independence is ensured. The TSA (Transportation Security Administration) had acknowledged that the EU Air Cargo Security rules are equivalent to US rules.

4.5. Land transport security in Europe

Mrs Van der Jagt⁵ mentioned that the EC has tried to deal with this issue for many years in order to regulate security within the European Union. The new proposal has taken a different approach in the sense that there is more recognition for the risk of theft and crime; these are incurring large costs to the industry. On the other hand freight forwarders do not want to deal with more regulation on security in Europe, whilst welcoming all attempts to achieve higher level of security and decrease the number of cargo crimes. The EC identified specific weakness areas (e.g. Training of staff, secure parking and cybercrime).

Mr Komora was worried that some initiatives regarding security cannot be implement due to data confidentiality within the European Union and countries outside the Union should also be taken on board to find a mutual solution.

4.6. Developments in the European Union on customs regulation (Mr Steve Parker)

Mr Parker updated the delegates in his presentation on the progress of the EU customs related items.⁶

- Intellectual Property Rights (IPR) is a very important issue. CLECAT holds the position that freight forwarders cannot be responsible for IPR costs, this position creates a big controversy with the European Commission. Furthermore there is an opinion that parallel imports must be out of scope. It seems that the EC has accepted the position of freight forwarders, as presented by CELCAT.

³ Mr Keen's slides on maritime transportations are enclosed with the minutes as Annex IV

⁴ Mrs Van der Jagt slides are enclosed with the minutes as Annex V

⁵ Mrs Van der Jagt slides are enclosed with the minutes as Annex VI

⁶ Mr Parker's slides are enclosed with the minutes as Annex VII

- Modernised Customs Code that is now the Union Customs Code, the implementation was foreseen for June 2013. The deadline cannot be met because the IT system is not ready. They are planning to recast the MCC and it was renamed the Union Customs Code (UCC) This gave the opportunity to the EC to correct many errors and upgraded the content to the 21st century. Electronic (paperless) and centralised clearance are also two important topics.
- Regarding IT planning in the future all the systems should be automated and freight forwarders should be able to adapt their systems accordingly.

Mr Van der Jagt referred to the mutual recognition between the US and the European Union and mentioned that the difference between AEO and C-TPAT is that the US programme is only for shippers and not for logistics service providers and this will create a problem for mutual recognition between these two commercial areas. Mr Keen confirmed that the situation is confusing.

5. Any other business

Nothing to report under this item

6. Place and date of the next meetings

The next REU meeting will take place on Friday, 15 March 2013 from 08.15 hrs to 10.00 hrs during the FIATA Headquarter Session in Zurich / Switzerland.

There being no further business, the Chairman thanked the participants for their active contribution and the exchange of views and he closed the meeting at 18.10 h