

## **SIMPLIFICATION OF TRANSPORT CHAINS**

When discussing simplification of transport chains, one has ideally two options:

- keeping the chain as adherent as possible to the dedicated transport paradigm, but this is in general very costly and environmentally inefficient;
- working on the multimodal chain to streamline its complications, the only risk being that one may actually complicate things instead of simplifying them, if one is not careful.

We shall concentrate on the latter option, with the intention to introduce a few elements of reflection in today's debate.

The two main elements on which we have been asked to reflect are on the one side technology – how it could help achieve more efficient transport services – and documentation, which is deemed overcomplicated for the end user.

Starting from the latter, we have been asked to consider the option of a

### **Single (EU) transport document**

*The idea is to create a single transport document that could be used for all transport modes. This would hopefully entail facilitation in multimodal transport, by disposing of the differences in existing modal bills.*

We do not think this is a bad idea, but we see a number of difficulties which may either generate further complications instead of reducing them or, at best, make this document an empty box in the end. The reasons are the following:

- Ø Transport documents are governed by international conventions ratified by governments, in the EU that is to say: Member States;
- Ø The EU is not a sovereign state and cannot negotiate without a specific mandate from its MS's. Such a mandate is not something which can be obtained quickly;
- Ø Therefore, for this document to be “legal” it would have to incorporate the principles contained in all the transport conventions ratified by EU MS's:

For the above reasons we believe the resulting form would become a monster of fine prints, which would deter any intentioned user.

The alternative is to produce a document with an autonomous legal personality limited to the EU, but this drives us into the discussion on a

### **Multimodal liability**

*The idea consists of creating a European optional standard liability clause for filling in the gaps between existing international, mode-based liability regimes. The alternative of an EU only mandatory liability regime for all transport modes was considered for some time, but we understand it lost ground on the run<sup>1</sup>.*

It has been argued that users do not opt for intermodal solutions, because of legal uncertainty in the liability regime. We believe their choices depend solely on price and quality of service: the issue of liability is normally resolved by a series of options made available by insurers and logistics providers. Let me quote the example of the FIATA multimodal bill of lading, which has provided excellent service to well over a generation of shippers.

This being said, we do not see any harm in creating an optional standard, which could be adopted by market forces at their choice, but... there are a few if's and but's, which need further thought.

Even if we started working on this project right now, our best time option to see something on the table at EU level is between three and five years, whereas there is something which may be available much quicker.

UNCITRAL are developing an international solution, which by far and large would provide the same result by incorporating a “network” principle. One may like this option or not, but we think this option will be on the table some time in 2008, which is an unbeatable deadline for any EU legal instruments today. Of course MS's would still have to ratify it, once adopted, but this could be done fairly quickly, if the political will is there.

It must be said the UNCITRAL process was long and painful. This is a symptom that an EU alternative would probably be no shorter, nor less painful.

Coming to the issue of technology, the importance for logistics to be innovative and pro-active cannot be overstressed. Clecat has always taken a favourable stand on all technological developments that are able to deliver real advantages to the end user: for instance it has recently adopted an articulate common position in favour of the extension of the so-called “modular concept” to intra-community traffic.

This being said, however, one's mind gets immediately whisked into the probably over-debated concept of

### **Security & logistics**

*The overarching idea is the following: Security should not cause undue disruptions to logistics. Actions could contain a set of European standards towards a toolkit*

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<sup>1</sup> See comments received after October 5<sup>th</sup> workshop: “most of those who commented on this issue were in favour either of applying existing international liability regimes or else joining UNCITRAL in its work on a new convention for the goods carriage.” Only one comment referred to the idea that “a European approach should be studied”

*facilitating and simplifying secure interconnectivity. These standards would have to be in line with international conventions and standards.*

It is impossible to disagree with the above statement, but... Whereas we stated and maintain that security – understood as a series of measures and procedures to counter terrorist threats – is mainly a passenger transport concern, we cannot claim goods transport to be 100% outside the area of security.

We have also stated that security must allow a trade-off for businesses, because it is costly: business cannot be left alone facing the problem.

This is where technology comes into the scheme. Investments in technology may deliver in terms of security, but they must deliver in terms of efficiency and savings as well. We are among the first users of technology and many of our enterprises have already invested heavily in security. We must be vigilant that these investments are fully appreciated and this exercise does not become a gadget promotional campaign.

We are looking with great interest at the developments of the talks between EU and the US on this subject, especially at concepts such as mutual recognition and harmonisation of security measures. Interoperable technology, mutual recognition and harmonised, cost effective standards may produce the trade-off businesses would be looking for. If all this does not become real, it is very difficult to see how businesses could embrace these programmes willingly.

Let me come to the

### **Conclusion**

- Ø Simplification of transport chains: YES, certainly, but we claim that the market and its resilience in general is best placed to combine simplification and business sense.