

The Voice of Freight Forwarders and Customs Agents in Europe

CLECAT Response to the

Public consultation has been opened on the report of the High Level Group on the extension of the main trans-European transport axes to the neighbouring countries and regions and the way forward

Brussels, March 10th 2005

Introduction

CLECAT was established in 1958 in Brussels, where it represents today 28 national organisations of European multinational, medium and small freight forwarders and Customs agents, thus representing the largest and oldest institution of its kind. Freight forwarders and logistic service providers¹ master the entire supply and value chain on behalf of their clients. Their logistic solutions satisfy both production and consumption, both supply and demand and make sure their expectations are satisfied, ensure that goods move from the point of origin to reach their final destination at the right place, at the right time and in good shape. For this purpose, they utilise the entire and complex logistic infrastructure with a totally unprejudiced and cost-efficient approach. Freight forwarders and logistics service providers do not privilege any means of transport or transport infrastructure as such, although some may own a great many equipment and infrastructure. In general they own or run the warehousing facilities where cargo is handled. The "weight" of our industry in logistics may vary according to the type of service, but it is invariably counting for over half of the whole, in some cases, like in airfreight, for over 90%.

The value of our industry to the GDP of EU MS's is not uniform, but it constitutes between 6% and 8% in the biggest European markets such as Germany, France, Great Britain and Italy². Other countries such as Belgium³ and Holland consider logistics their leading industry.

Preliminary observations

Clecat took considerable time to evaluate the result of the report of the high level group, but will refrain from making comments on a number of general statements, whereas it will try concentrate its attention on some aspects, which may impact more directly on the logistics market.

¹ See official description of « freight-forwarding and logistics services » as adopted by CLECAT & FIATA : http://www.clecat.org/index.php?option=com_content&task=view&id=42&Itemid=9

² Our Italian member organisation Fedespedi (www.fedespedi.it) notified 8% in Italy, trend +3-4% a year in the last 5 years.

³ A study was provided by our Belgian member organisation CEB (www.conexbe.be; www.delloyd.be)

The proportion of the exercise and the evolutionary aspect of its nature may suggest the idea of sufficiently frequent revision and assessment of the status quo.

Clecat initial contribution to this debate was published on the Europa website, at the following address:

http://europa.eu.int/comm/ten/transport/2005_03_31_tent_consultation/doc/stakeholders_contributions/european_organizations/clecat.pdf

It is far from our intentions to simply reiterate what was already made public.

It is our opinion that the main dichotomy of the TEN-T extension revolves around two pillars: the alleged lack of funds and the combination of ambitions and interests, which seem to project the TEN-T into a very, maybe too, far reaching dimension.

Clecat should like to counter-quote the following statement of the Commission⁴:

4.2. The constraint of funding

Funding transport investments is a difficult issue worldwide. While in the past, the countries of the EU15 used to invest up to 1.5% of their GDP in transport infrastructure, they currently invest less than 1%. The Community funds being limited, reliance on national budgets prevails, and innovative funding solutions, such as user charges and public private partnerships, have to be examined.

Clecat has affirmed in clear language more than once that the EU faces a serious problem of lacking or insufficiently maintained transport infrastructure. If this statement is truthful everywhere in the EU, it is at border crossing where the damaging results of this unhappy situation are more evident.

For Clecat Members, logistics service providers and freight forwarders, in their double capacity of EU citizens and transport users and service providers, it difficult to absorb supinely that the huge figures paid in all sorts of tolling and taxation do not manage to provide decent maintenance and enhancement of the transport infrastructure.

We are faced with falling (50%) budgets. It is however difficult to come to terms with the ever increasing revenues secured by tolls, taxes and excise (on all petroleum derivatives) to governments and their permanent inability to meet the challenges of the growing demand of mobility.

This is a general problem, but it is all the more painful at the borders of the EU. After the signature of the **Memorandum of Understanding on the development of the South East Europe Core Regional Transport Network**, in 2005 Clecat served as midwife in the declaration that south eastern European federations sent to their Governments and international institutions.

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At the 7th Balkan congress South Eastern Freight Forwarders & Logistics Federations expressed their hopes and concerns in the following message and press release:

http://www.clecat.org/index.php?option=com_content&task=view&id=130&Itemid=3

Their statements are not only unequivocal; they are a cry of help.

Clecat welcomes the careful and thorough investigation that was carried out in ascertaining the concrete possibilities of all neighbouring areas in securing proportionate and adequate connections with the EU, but it is concerned with the dangers of the combination of a proliferation of initiatives to the far corners of the continent, even in areas not even remotely connected with the accession process, and the substantial difficulty to secure adequate funds. The result of such an approach would inevitably be just another long unfulfilled wish-list.

The main concern of the EU institution must be focussed on securing adequate funding for proper maintenance or construction (where necessary) of adequate transport infrastructure. Particular and careful attention to prioritise cross-border junctions should be paid and guarantees that these vital connections would not fall under the axe of insufficient national budgets should be given.

PPP's seem to be identified as the real panaceas to find finance where none seem to exist. Whilst PPP may be seen as an example of best practice and may effectively contribute to develop projects on some limited and circumscribed critical infrastructure, it certainly cannot be seen as a surrogate instead of public investment in strategic infrastructure planning. Flattering ourselves that the latter could be satisfied by the former might turn out into a number of necessary infrastructures never being actually built.

Clecat has expressed its view on this point in more than one occasion: it is high time all the revenues that come from transport directly or indirectly were reinvested in the proper maintenance and enhancement of the infrastructure that generates them. The risk of focussing on "horizontal measures" may result in diverting the attention from the core of the problem, which is the availability of decent infrastructure.

Reply to questions

Clecat representing the interests of 29 European federations covering almost the entire continent; it is not in a position to prioritise initiatives in particular areas, other than those already included in the Van Miert report⁵.

1. Do the five main transport axes highlighted in the High Level Group (HLG) report, in your view, represent the main axes for international traffic and what you add/delete, if given the opportunity and why?

Impossible to reply for Clecat.

2. The HLG report outlines a number of measures, on so-called horizontal issues, are these the most important ones and do the recommendations made by the Group help to solve the problems?

⁵ http://europa.eu.int/comm/ten/transport/revision/maps_en.htm
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No, they are not the most important, in addition some may take considerable time to be implemented.

3. Financing transport investments is a headache. How can the implementation of these axes and horizontal measures be best financed? What could be the role of the private sector and the user charges?

The best solution would be to use the funds generated by transport users through tolls and taxes in the maintenance of the transport infrastructure.

4. For the implementation and coordination of the recommended actions, the report calls for either a memorandum of understanding or an international agreement – do these help to achieve the objectives? If not, how would you ensure the implementation and coordination of the actions?

If an international agreement is focussing on making infrastructure available for transport services it may be useful.

5. The Group has envisaged integrating the existing agreements and memoranda of understandings into a coherent framework. Should an international treaty be envisaged for this?

If an international agreement is focussing on making infrastructure available for transport services it may be useful. If this agreement takes the form of consolidating existing agreements and integrating them with the necessary measure for the amelioration of transport infrastructure it would certainly be welcome.

Clecat takes this opportunity to offer a comment on the

Horizontal measurers

This list of h.m. were examined:

Implementation of horizontal measures

- **Simplification and facilitation of border crossing procedures** including:
- Implementation in full and without delay of the relevant **international Conventions** and agreements, especially:
- the International Convention on the harmonisation of frontier controls for goods, particularly as regards corresponding opening hours of frontier posts, joint control of goods and documents through the provision of shared facilities, medico-sanitary and veterinary inspections;
- the Kyoto Convention on simplification and harmonisation of customs procedures aiming at maximum use of automated systems through the use of pre-arrival information, risk management techniques (including risk assessment and selectivity of controls) and easy access to information on customs requirements, laws, rules and regulations;
- the Convention of the international transport of goods (the TIR carnets) for road vehicles.
- Adoption by all the countries concerned by 2008 at the latest of the five IMO FAL documents, already in use in the EU.
- Simplification of the **language regime**:
- To mutually recognise all trade and transport related documents in the language of the country concerned and in a mutually agreed language.
- In the longer term, harmonisation of these documents.

- Implementation of “**one-stop office**” and development of electronic data interchange systems (EDI) especially for ports.
- Promotion of **satellite radio navigation systems** (Galileo).
- Introduction, application and control of **security measures** resulting from international agreements and standards as well as to carrying out of security audits.
- For the **maritime transport and the Motorways of the Seas**:
- Harmonisation of the practices and procedures of the Paris, Mediterranean and Black Sea MoUs at the highest level of performance. The European Commission is invited to approach the three MoUs in view of launching a dialogue for further cooperation.
- Ratification and implementation of the international standards and conventions (IMO) in a timely manner and in full, including e.g. the MARPOL convention related to single hull tankers, the AFS convention on antifouling systems.
- Technical support for actions to improve the quality of port infrastructure and services and to implement regular frequency of shipping services (at least once a week) operating on the Motorway of the Sea.
- As regards **rail transport and interoperability**
- To monitor the on-going efforts of the two legal systems (COTIF and OSJD) in view of a common consignment note.
- To undertake measures to render the transport laws more coherent and convergent.
- Gradual implementation of ERTMS^[3] along the major axes, when relevant
- Standardised telematic applications for freight services.
- For **inland waterways**:
- To mutually open access for international traffic.
- To pursue the harmonisation of rules and safety standards,
- Implementation of traffic information systems that are mutually interoperable.
- Regarding **road transport**:
- To design and implement measures to improve road safety that address driver behaviour, vehicle safety, road infrastructure (safety audits) and traffic management systems,
- To gradually upgrade the road network along the major axes for vehicles of 11.5 ton axle load and of 4-metre height.
- For **air transport**, to gradually extend the principles of the Single European Sky initiative to the neighbouring regions along with the enlargement of the EU or on a voluntary basis.

All above measures are either being implemented or already in the course of adoption, (e.g. the single rail consignment note, COTIF & OSJD⁶, should become operational in September).

It is undeniable that the implementation of these measures will help cross border operations and would greatly help the EU connections with neighbouring areas. We must however not forget that one single bombardment in Novy Sad has positively severed the IWT connections between eastern and western Europe for over a decade, if one takes into account the time it takes to revamp discontinued services. The central role of infrastructure availability, enhancement and maintenance is paramount and should be attracting the entire attention of the EU.

The above list of measures is a good resume of all the initiatives that are being debated or implemented. This does not mean unfortunately that all or the majority of them stand a chance to become reality sooner than it would take to undertake the necessary investments in infrastructure. The risk of mixing things up and choosing false priorities for the allegedly little money available should be avoided if we wish to see something done before the horizon of 2020.

⁶ <http://www.cit-rail.org/pdf/gr/Flyer%20Seminar%20CIM-SMGS.pdf>
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It is more than clear Clecat does not wish to prioritise any transport infrastructure, on the contrary it keeps saying that ALL transport infrastructures in the EU and in neighbouring areas are insufficient.

Clecat is thankful for this opportunity to submit its views and remains at the entire disposal of the Commission, should there be any need to clarify or explain the points made in the above public position.