

Position Paper

Consultation Document on Logistics for Promoting Intermodality

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Preamble

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.

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Logistics 'r' us!

Freight forwarders and logistic service providers¹ are the real masters of the supply and value chain. They craft logistic solutions that 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 amount of 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 invariably accounts for over half of the total, and even for over 90% in cases such as airfreight.

CLECAT interest in the consultation

The very nature of the professions represented by our organisation gives us an enormous interest in this exercise. At this period of midterm review of the 2001 White Paper, we are glad to see that logistics will be at the heart of the reorientation of the EU Transport Policy. We take such reorientation as an acknowledgement of the substantial contribution of our sector to the EU competitiveness and growth. 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. This makes it one of the most significant resources of growth for the EU. We should also be proud of the fact that the EU is the world leader in logistics. Ensuring that this status is maintained should underpin any EU policy. It is in the interests of the entire EU to avoid any action that may result in its competitiveness being compromised.

Without any attempt at discouraging the interest the EU institutions take in logistics, we wish to draw everyone's attention to the fact that our industry has acquired world leadership whereas it has almost been ignored by policy makers so far and perhaps because of this. Any attempt at touching upon its delicate market balance could come to a very dear political price for those who decided to do so, if it compromised its competitiveness in the future.

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)

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Background actions & involvement

CLECAT has been closely following the initiatives that led to the present consultation. In 2003, we produced detailed comments on the various fields in which the Commission envisaged an action within the framework of the consultation on a “Freight Integrators Action Plan” (FIAP). The FIAP then gave rise to the ISIC Project (Integrated Services in the Intermodal Chain) in which CLECAT was very much involved through its position as an active member of the Advisory Board, where we took a somewhat critical stand. Indeed, a thorough investigation convinced us that the cost-benefit analysis was founded on presumptions rather than facts. We could not be happy with such a cost-benefit analysis being used to justify further legislative initiatives at EU level.

CLECAT, together with a number of important stakeholders, also informed both the Commission and its advisors that a number of the envisaged actions were not welcome and risked being counterproductive. We are therefore only very moderately happy with the fact that only part of the actions, which were strongly discouraged, has been abandoned in the meantime.

Introduction

Before entering into detailed comments on the need for a European intermodal strategy and the specific actions envisaged for “*maintaining logistics excellence*”, we should like to make some general observations on a number of concepts and assumptions underlying the present debate.

The consultation is presented as a complement to two of the White Paper’s objectives: enhancing cooperation between transport modes (also described as integration of transport modes or intermodality) and shifting road freight transport onto other transport modes. Whilst CLECAT welcomes initiatives aiming at developing intermodality, we would like to clarify an important point. Intermodality should not be seen as the ultimate transportation goal. Intermodality is a tool the use of which should indeed be enhanced and possibly promoted as and if it makes sense. We are very concerned with the ongoing wave of thought that sees intermodality as the universal remedy to all mobility problems. Such a conviction may only lead to additional disillusionment or bitter confrontation with reality. We have said and we wish to repeat that there is not one single “miracle cure” to the problems we are facing.

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As regards the political aim of “modal shift”, it leaves our companies rather perplexed, in particular when we think that we are unable most of the time to benchmark comparable performances in service quality. Very often one simply does not have a choice.

Freight forwarders and logistic services providers have a neutral approach towards transport modes. Ideally, they should be able to enjoy a “modal choice”, i.e. the possibility to choose the mode that best suits their client’s needs among several. Reality is however somewhat different and non-road transport modes do not show comparable qualities (in terms of efficiency, reliability and cost). Hence we are often compelled to take road service, because no other service is available. CLECAT is therefore of the opinion that a “forced” modal shift should be avoided, at least for one good reason: the absence or scarcity of real alternatives would simply result in lower level of services and higher costs.

In principle we are happy to see that the consultation rightfully acknowledges this dilemma when it mentions that “*managing the complexity of transport flows in a modern society requires high efficiency from transport modes*”. In this light we recognise the efforts that the Commission has put in place to foster competition on the rail and to create conditions for the liberalisation of transport infrastructure. It is however impossible to agree on an artificial pressure toward a modal shift until the full results of these policies have come to be successfully digested by the industry.

The lack of comparable efficiency of other transport modes cannot be compensated by measures making road transport less attractive. For instance, rail performance will not be improved by weakening road transport. In this regard, we cannot adhere to the concept according to which “*intermodality is of fundamental importance for developing competitive alternatives to road transport*”. This implies that intermodality is a competitor of road transport or, in other words, road transport is not a component of intermodality. Sustaining that road transport and intermodality are alternative one to the other is nothing else but a short sighted way of looking at a very complex landscape. It is technically unrealistic to exclude road transport from the idea of intermodality. The end legs of any intermodal journey are normally road connected and it is impossible to ignore that road feeding is the normal condition for almost 100% of any logistic service. We repeat again that transport modes must be seen as supplementary to one another and not in contradiction with one another.

One could argue that the growth of road transport increases congestion, road accidents and pollution. On the one hand we cannot ignore that the growth of road transport was not met with an adequate infrastructure planning. We repeat that putting hopes in an idea such as “decoupling” was the main reason why nothing has been done to seriously address these problems in recent times. Consistent infrastructure

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maintenance and building would have probably contributed to mitigating the problems.

As regards pollution, one cannot ignore the considerable improvements that road transport has made in the field of emissions in the last decade with the introduction of EURO 3, 4 and soon 5 trucks. Furthermore, if one takes a wider perspective and throws the source of propulsion energy into the picture, certainties become less adamant. As regards congestion, professional freight transport can be held responsible only for a fraction of it, and one should not forget that private cars and own-account transport play their substantial part, not to mention insufficient infrastructure, as we have just said.

All in all, CLECAT welcomes the fact that the European Commission intends to “*improve the institutional preconditions that Europe can offer for logistics innovation*”. In the present market and institutional conditions, European logistics have managed to become a world leader. Innovation surely is an important element in order to maintain this position. We would however like to warn that such innovation cannot be solely aimed at developing intermodality. Contrary to what the consultation suggests, it is not logistics but the quality of the various transport modes that constitutes the precondition for intermodality to become a viable choice for the industry. Intermodality is a tool of logistics and not the contrary!

The need for an intermodal logistics strategy

The consultation identifies a number of European policies that would need more targeted coordination in order to “create a better framework for intermodal logistics solutions”. Bearing in mind the above remarks on intermodality and logistics, CLECAT would like to comment on these policies.

Internal market: liberalisation and harmonisation

CLECAT welcomes and supports liberalisation and harmonisation, both elements being the backbone of an efficient internal market. This concept underlies all CLECAT position papers.

Harmonisation and especially liberalisation seem to go hand in hand with success in transport services. Suffice to say that the two sectors which reported best performances in the last few years are both almost entirely liberalised and enjoy a comparatively high degree of harmonisation. They are road transport and short sea shipping.

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Despite its inception in 1991 harmonisation and liberalisation on the rail is still not fully accomplished

The assumption that “*rail liberalisation is becoming a reality*” should therefore be taken in perspective. Indeed, although private railways are increasing their presence in some countries, a lot remains to be done before one can speak of a “liberalised European rail freight market”. Rail is not yet an option “*for transport users for a variety of competitive intermodal services*”, simply because rail freight transport does not yet deliver the same level of quality as other modes, and in particular road transport. The degree of harmonisation in the rail is certainly not as high as in other modes and the lack of harmonisation has been seen by a number of operators as a means to safeguard commercial advantages or positions.

CLECAT has repeatedly pointed out the need for removal of dominant positions and a full implementation of the first and second railway packages. These are the actions that would be needed and on which the Commission should use all its inspective powers.

All this being said, although a lot remains to be done for rail freight transport in general to become a regular solution, one must not ignore that there are a number of examples of well-functioning train shuttles running through Europe with a very satisfactory level of performance. These examples are particularly present on markets that enjoy a high level of liberalisation and harmonisation. The success of these undertakings could lead to the EU rail freight sector as a whole recognising the benefits of improving service quality.

The temptation to create “reservations” and to curb competition is always present and it conquers proselytes where there once were none. We observe an unprecedented push toward protectionism in the road transport sector, which may have a serious impact on the performance of this mode of transport in the long run. For example incomprehensible measures have been adopted in some MS’s, such as Poland, and in candidate countries, such as Turkey, which are far from functioning in the best interests of intermodal logistics and seem to be satisfactory only for heavy vehicles manufacturers and the most conservative part of the haulage sector.

The international dimension

CLECAT is glad to hear that “*logistics is becoming increasingly important not only within Europe but also for Europe’s international business relations*”. We take such a statement as an eventual acknowledgement of the sizeable contribution of logistics to the EU GDP. Logistics exist indeed also at continental level, but there is no need to take a parochial look at logistics.

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The international dimension of logistics is paramount when making legislative proposals in standardisation of intermodal equipment, communication systems, intermodal liability etc. Touching upon the existing international rules and customs needs to be done with caution in order to avoid disruption and distortions.

Whereas EU-only solutions entail the risk of fragmenting our market or setting Europe outside international traffic flows, we support the stimulating role that the EU can play in international forums. There is no doubt the EU has the right and the duty to propose and promote international harmonisation and standardisation. It has however the duty to abstain from promoting local measures that would sever its citizens from the rest of the world.

Finally, as regards cooperation among logistics centres in the world we would like to point out that such cooperation already occurs both at industry level within and between companies and at institutional level through professional organisations such as FIATA (International Federation of Freight Forwarders Association, www.fiata.com) and others (Joint ECMT/UNECE Working Party/Group on Intermodal Transport and Logistics, for instance) in their different roles and functions. Where appropriate we know the EU is always represented. We sincerely fail to see which additional role the EU Commission would identify for its services in this connection.

Infrastructure

We are happy to see that the Commission recognises that “*the quality of infrastructure is a key element in (...) transport logistics*”. As we have already said, considering the “lack of suitable infrastructure”, one must recognise that the EU logistics sector is performing rather well.

This said, we share the consultation’s idea that “current infrastructure should first be used at an optimal level”. CLECAT would add an idea to the list of possible solutions: promoting “smart” use of infrastructure such as night time driving by encouraging differentiation in infrastructure charging as a way to mitigate congestion.

Finally, we side with the Commission in demanding more funds for infrastructure. We are told the amount of EU financial support will be far from sufficient to cover the ambitious TEN-T programme, let alone any other. Considering the exorbitant contribution the transport sector is paying to the cash of MS’s and the Community we regard such statements as disrespectful and hopeless. The bill faced by transport users is second to none, yet insufficient investments were made in the last two decades with very few exceptions.

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In general, when obliged to prioritise, CLECAT would favour projects which improve cross-border connections and contribute to removing bottlenecks, on the understanding that such improvements be always market oriented. In consideration of how the market is structured, Clecat is of the opinion that the TEN-T should also reconsider its modal distribution. Even taking into account the fact that freight transport shares infrastructure with passengers' it is impossible to ignore that the modal distribution of the approved projects is not connected with the present mode distribution and seems to intentionally privilege a pre-established modal choice.

Clecat understands this is not the right place and time to question decisions already taken; only time will tell whether these funds have been properly allocated.

Standardising loading equipment

CLECAT is also of the opinion that *“common technical standards widely accepted by manufacturers and operators are the key to making intermodal transport and related logistics more efficient”*. This being said it is extremely important to refrain from the ambition of “making history”. Market led, international standardisation is normally the best solution. We would like to stress once again that an international approach is paramount. The creation of regional standards would have counterproductive effects and imply unprofitable investments. We appreciated the Commission decided to leave the development of the EILU to the industry.

A growing interest for the use of 45' pallet-wide containers is perceptible and any legal constraints impeding its use in EU intermodal transport need to be seen as counterproductive measures hampering the development of intermodality.

Modern innovations in information technology

Clecat is particularly appreciative of the optimism that we read in the statements of the consultation paper. However too much optimism may be counterproductive and needs to be put in perspective.

It is true that NCTS, RFID, XML (ebXML), EDI/EDIFACT are now mainstream expressions and would surprise no one. It is also true that most of our companies have either already adopted or are rapidly making plans for adopting tools such as RFID and 100% are now using NCTS.

We must however stress that these are just acronyms, they are tools that will help us streamline the administrative burden and resolve the contradiction between speed and accuracy which is the perennial dilemma of logistics, but they must not be seen “the” solution. They are helpful, but again they do not represent a miracle cure. They will

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just help us become comparatively more efficient. From a general point of view, technology should play a supporting role, following thorough business design analysis and focussing on processes and procedures.

Clecat is heavily involved in the process of dematerialisation of Customs and transport documents. We had big hopes to see everything coming together at the end of the '90's, but then something went slower and we now know that it will take probably ten years to see a paperless environment in logistics, if we all work in harmony for the same goal.

We feel obliged to warn the Commission that expressions such as: *“Public-private partnerships could play a significant role in this process.”* may elicit undue hopes and create considerable misunderstanding.

PPP is a useful tool for providing our society with the infrastructure we could probably not afford if we had to rely exclusively on public funds. When talking of ICT equipment and its considerable advantages in doing business, we must consider that the investment is being made both in the public sector and by private enterprises individually. The level of the investment barrier is individually fairly small, and it comes to big numbers only if it is considered as a whole, as if we were talking of colossal collaborative environment, but this is not the real situation.

Logistic services are structured as networks and work as networks in respect of any external stimuli, hence the individual operator would target a certain level of compliance to a system and take measures to match the exact requirement dictated by the situation. No more, no less.

If this situation is what the consultation calls “public-private partnerships”, of course we agree this is a very business oriented way of looking at this structure.

On the contrary, if there is an ambition to build “the ICT logistic infrastructure of the EU” through a PPP providing monstrous data-bases, this is probably not a dream, it is a nightmare.

All this being said, we are and we will always be big spenders in ICT, because we need performance and ICT helps us enhance our performance. Other service providers may wish to make comparable investments, being mindful to maintain ability to exchange information with all other operators.

All in all we are confident the market will find its way to adopt the most suitable solutions, as long as nothing interferes in distorting the contractual freedom of the contracting parties.

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One-stop shopping

CLECAT supports what the consultation mentions as “one-stop administrative shopping or single window”, i.e. a single point of contact for Customs and other transport & trade-related formalities and checks.

Again we see this as a tool for designing and providing efficient services. One way or another, our companies already provide for this concept. This is exactly what they offer on the market. Any client can call a freight forwarder or a logistics service provider and ask them to see that their cargo gets to its destination in good order at the right time and with fair pricing conditions.

Better and more streamlined administrative procedures could seriously improve our services, but they are already fairly well performing.

Referring to the official CLECAT/FIATA description of “freight-forwarding and logistics services” (see preamble), logistics service providers find within their core business the “*management and commercialisation of intermodal door-to-door solutions*”.

It is in no way mandatory to use our services, because clients with sufficient volumes and expertise may contract their transport solutions directly. Not all operators have these dimensions, though. Through the extensive use of all transport modes and consolidated solutions, we guarantee that even small or micro operators eventually enjoy a decent level of service, even when individually they are unable to attract the interest of the transport service providers they would need.

Therefore we cannot agree with the idea of a supposed need for “one-stop commercial shopping”. Identifying such a commercial need corresponds to ignoring the vast majority of transport services available.

The idea of a lacking “one-stop commercial shopping” thus implies that our companies do not provide this service satisfactorily. This is not the impression we get when we speak to our clients, the shippers.

We understand the Commission is faced with a dilemma: on one side MS’s do not wish to part with money for infrastructure and on the other traffic is growing. Intermodality was seen as light in the darkness, especially because it was so remote in the mind of those who advocated for it that it looked desirable.

We must stress again that the lack of development of intermodality is surely not due to a low level of quality in logistic services, but simply to the fact that intermodal solutions are still unfortunately not commercially attractive or insufficiently efficient.

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Once all transport modes show a comparable level of quality (at least matching that of road transport), intermodality will develop naturally. We therefore do not see how a political initiative could fill a non-existing gap, unless there is the aim of publicly financing the creation of unfair competition to the detriment of the EU taxpayer.

Last but not least, whereas we still hear the plethora of promoters of intermodality, it simply grows and becomes routine in the areas where competition has made alternative modes reliable enough for us to be able to offer them to our clients.

Motorways of the Sea (MoS)

CLECAT sees MoS as a potential additional option in the services freight forwarders offer to their customers. When consulted on the issue, CLECAT however insisted on the necessary commercial sustainability of MoS through a competitive advantage with self-drive road transport on specific geographical connections.

This means that not only should MoS projects guarantee the same quality level as road transport (in terms of efficiency, reliability, frequency, cost/benefit etc.), but also offer a shorter journey. In this regard, MoS should not be seen as a competitor to self-drive road transport, but rather as a complementary transport mode. In this way MoS could contribute to considerable savings in fuel, human energy and offer a significant contribution to tackling the intervening pressure and congestion on the road infrastructure.

Logistics can indeed play its part in making MoS successful but this will only happen as and if MoS show all the aforementioned elements. Once MoS function complementarily to a decent degree, the additional element of choice would enable logistics providers to include these services in their offer to clients.

A common goal leading to a common strategy

CLECAT agrees that coordination of policies would be beneficial to logistics. This would be especially beneficial if the real problems of logistics get tackled by coordinated policy: insufficient liberalisation and freedom of access in some transport sectors (e.g. on the rails), insufficient harmonisation of procedures (rail market, weights, dimensions, driving bans on the road), for example. Liberalisation, full and fair competition (notably through removal of dominant positions), sufficient and efficient infrastructure etc. are the real needs that must be answered for logistics to perform better.

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Intermodal logistics requirements cannot become the underlying factor in the decision-making process of companies unless it makes sense from a commercial point of view. As long as rail service quality is inadequate, as long as borders are still insurmountable walls in the rail market, as long as locomotives and crews must be changed and equipment cannot be made available even when it is no longer used by the incumbents, shippers will have no choice but to use road transport.

It is in the best interests of the rail undertakings to embrace liberalisation and competition wholeheartedly. This is the way for them to increase their market share, as it has been clearly shown by the most liberalised markets in Europe and abroad.

Quality as a key factor in the European strategy

Certifying quality

The consultation seems to imply that an EU quality framework would ensure EU logistics excellence in the world. One should not forget that the “excellence status” acquired by European logistics has been reached by the industry without any EU legislative framework or quality label. The need for such framework is therefore far from being established. All our companies compete very fiercely for their market and cooperate very actively with all transport service providers, whenever possible in a competitive environment. Full and fair competition is the key to their and our quality in service.

The consultation takes the example of the “secure operator” status to use it as a model for a “logistics quality label”. CLECAT believes that such a comparison is a self-referential shortcut. Indeed, since September 11th 2001, security has become a “hot spot”, whether we want it or not. However the regulation aiming to establish a voluntary “secure operator” regime has been published as a Commission proposal on February 28th. It is probably a bit too early to use it for benchmarking.

Voluntarily applying for the status of “secure operator” might be a useful solution to increase security within the supply chain, while ensuring that no obstructions in trade flows are created. There is no direct parallelism in logistics, all the more since quality management is already in place to a large extent, as the consultation rightfully points out.

In addition, the aim of the “secure operator” status is to facilitate business operations of a trader, who fulfils a number of security requirements. On the other hand, a quality label for logistics would and should not have such trade facilitation effect. Finally, in

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addition to the fact that a great number of our companies are ISO certified, one must keep in mind that the ultimate “quality judge” of logistics services providers are their customers.

In general, we do not see what additional quality a label could bring to logistics and into intermodal transport. The consultation explains that it would be a marketing tool in exchange for the systematic “*consideration of the option of utilising intermodality*”. Such statement seems to ignore that intermodality is incorporated in logistics services, either when it is imposed by geography or service requirements or when it is commercially advantageous (i.e. when it best suits customers’ needs). When logistics operators go for single mode transport, it is not because they “forget” to consider intermodal options, but because there is no technical or commercial choice.

We all know that over 50% of transport movements are local, 75% to 80% runs for distances that would not allow for intermodal service being used. Does this mean that we contemplate excluding the largest proportion of transport services from having (or saying they offer) quality? Would an intermodal service with a punctuality rate of 50% (one delivery in two is late) be considered a quality service?

On the other hand, we adhere to the consultation’s idea of vocational training. Indeed, we attach the greatest importance to vocational training to the point of producing our own tuition schemes. This is not due to lack of trust, it is due to lack of tuition programmes.

Because an active involvement of the industry is a prerequisite, CLECAT strongly supports and promotes the professional standards drawn by FIATA, the worldwide freight-forwarding organisation (www.fiata.com) that has a permanent training system managed and distributed in the world through its Advisory Body on Vocational Training. FIATA ABVT could play an important role in developing standards on the basis of its permanent training system, which has proved successful for a number of years. There, we believe that an adequate use of EU funds could prove efficient to further develop the utilisation and promotion of training standards through which intermodality and a number of other logistic tools can be properly brought to the attention of prospective operators.

Finally, we would like to make a few comments on the use of the term “freight integrator”, which we saw resurrected in this consultation. CLECAT must again remind the European Commission that the use of such term should be avoided because of the confusion it creates. In its reply to the 2003 consultation on the so-called “Freight Integrators Action Plan” (FIAP), CLECAT explained that “*the term “integrator” today specifically refers to a company that offers, within its group, total own fleet managed services under one single in-house transport document. Companies such as Federal Express and UPS, where the historical airfreight leg was*

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the main one, would describe themselves as “integrators” and probably this is the type of companies the transport public may understand by the term integrator”. This idea is shared by many stakeholders and we seem to recall that, following the consultation meeting on the FIAP, the European Commission agreed not to use this wording any longer. We shall be grateful if this expression could be avoided once and for all. Freight forwarder is the word the world has used for a number of years to designate this function and we have tried to expand the concept by using the expression “logistic service provider” to make room for an even wider variety of services, which are provided by many of our companies.

Multimodal liability

The current situation

CLECAT acknowledges that because of the lack of international mandatory law applicable to intermodal transport there is no simple and unique rule to calculate liability in intermodal transport. Attempts have been made at international level several times and some are still on the table. However, we would like to point out that clear rules and division of responsibility do however exist. They do not apply to multimodal transport as a whole, but to each specific transport mode, according to a network principle, which is sufficiently digested by the users. The market offers solutions (e.g. FIATA Multimodal Bill of Lading, which has been in use for a couple of decades) that are tailored and suited to the most sophisticated shippers’ demands.

Full, partial or contingency transport insurance is readily available all over the EU and it is an extremely well functioning specialised service, which can be accessed both directly and through the services of brokers and even bought inside the transport contract package.

Does the lack of multimodal liability regime obstruct transport flows?

In practice, whilst the existing regimes are far from user friendly the choice of transport mode by the freight service provider AND his customer is rarely, if ever, made on the basis of the legal framework that governs it. The key factors are and will certainly remain the cost and quality of the service provided.

Would a multimodal liability regime help intermodality?

CLECAT believes that a universal liability regime would be a very useful instrument, if it was not a dream at the present stage. It would however have not practical effect

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on promoting intermodal solutions or enhancing the chances an operator would use an intermodal solution. The additional complication created by “just another liability regime”, which is the likely result of any such exercise, is a price the EU cannot afford. Further complication risks definitely discouraging users from making any further attempt at intermodality, driving those who contemplate the idea ruthlessly to the safe haven of the CMR and road transport, which is perceived as simpler and more effective.

Why should any European multimodal liability regime be avoided?

CLECAT has always doubted that a European-only framework for multimodal liability would be an adequate solution. Transport is characterised by globalisation and a regional regime would surely do nothing else but to create additional difficulties and costs in the EU transport sector. At least, we welcome the fact that the European Commission has abandoned the disastrous temptation of a regional mandatory set of rules. Any framework liability regime should thus stem from international initiatives.

CLECAT is advocating a more extensive use of one of the best practices in this regard, the FIATA multimodal Bill of Lading. This bill provides for a certain liability regime for those who wish to avoid the complication of the network system and do not wish to take out a special insurance cover.

In view of the above comments CLECAT would definitely reject options 3, 4 and 5 and favour options 1 or 2. Notably we commend the efforts the EU has deployed at UNCITRAL and we are of the opinion this is probably the most constructive way to tackle this problem, which has no easy solution, but which ill suffers attempts at shortcutting.

In analysing the 3, 4 and 5 we feel enough has been said by the Commission itself to condemn the third.

As regards option 4) we should like to draw the attention of the reader on the fact that a voluntary system can ill suit the requirement of a fall back system. We see a contradiction in terms. Whilst we partly sympathised for the 1980 convention at the time, the fact it never came into force is sufficiently eventful to cast a shadow on its practicality, even as a regional agreement. The option of a network regime is in fact “en gros” corresponding to the position taken by Fiata at UNCITRAL. The consultation document rightfully underlines that it is not a bed of roses, but this position could be sustained profitably at UNCITRAL.

From what we have stated so far we are understandably very sceptical about the fifth option, which would practically mean “just another liability regime” in competition and contrast with those already in existence.

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Promotion of intermodality

We believe that intermodality is in no way an alternative mode of transport, but rather a logistic tool.

As such it is suitable for some requirements and ill-adapted to others. Promoting intermodality per se makes little sense. It is like saying that one wants to promote the use of scissors over the use of knives in cutting. Scissors are more useful to cut cloth and knives cut meat better. *Mutatis mutandis*, this is what we would do if all transport modes offered good performance.

Intermodal promotion centres

As a general principle, CLECAT is of the opinion that improving awareness and making information available can have positive results and attempts to do so should be welcomed. However, the consultation does not mention any need for improvement on the existing, but it starts from the assumption that “*intermodality needs to be promoted*”. We would like to point out that the promotion of intermodal transport comes within the tasks of the freight service providers, if it is decided that intermodality must be promoted.

The role of logistic services providers includes the provision of advice and information to the customer in respect of transport strategies and modal choices. These are based on detailed local knowledge and experience of what is available, what is achievable and the relative costs and efficiencies.

For this very reason, CLECAT thinks that funds could be better employed by enhancing the networking capability of the EU logistic providers, including the promotion of their activity in foreign countries, which is one of the most expensive investments they are compelled to make.

Should the European Commission however decide to go ahead with its idea of coordinating the activities of existing modal promotion platforms, CLECAT would advocate a strong involvement of logistics service providers, because of their expertise in available transport modes and logistic solutions, as well as their knowledge of the entire transport and supply chain and its actors. As regards the form, such involvement could be achieved by using national logistics organisations (and CLECAT at European level) as “coordination bodies”.

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Provided that the necessary funds are available, this solution would also have the great advantage of preventing any potential unfair competition with commercial activities already in place.

Continuous dialogue on intermodal logistics

CLECAT welcomes the idea of a continuous dialogue on logistics. However, we are not sure that the creation of yet another level of bureaucracy would help. Indeed, should Intermodal Promotion Centres become a reality, we dare hope their main task would consist in ensuring the dissemination and promotion of best practices.

As regards problems and bottlenecks, we believe it is up to the businesses to identify them and to the trade organisations to point them out within the continuous dialogue they have with national and European decision-makers.

We have heard that Vice President, Commissioner J. Barrot has announced his intention to establish a high level structure to tackle the multifarious challenges of logistics.

CLECAT has declared its commitment and has made its structures available to cooperate with the Commission at full steam in the common interest of a better EU logistic environment.

Conclusion

We are of the opinion a lot of ink has been spilt in the last few years to debate the increasing problems of mobility. We have no ambition to tackle such universal challenges in this comment paper, but we have the possibility to throw some good advice in, when it comes to discussing freight transport and logistics.

We have explained that a surprisingly small number of actions and initiatives would make business sense and why a number of initiatives might in fact backfire.

We have alerted the reader on the consistent risk of touching upon an efficient network, which is making bread and butter every day by providing dignified services to its clientele. The hazard is to see it becoming less, and not more, efficient and competitive, because of new legislation.

If we look at the questions the consultation is asking, it is very clear that CLECAT believe almost all concerns raised by the Commission would find better solution in the natural dialogue of the market forces. The only real problems are lack of

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competition and liberalisation, where it has not reached sufficient momentum, and a dramatic insufficiency of infrastructure.

Should the Commission however takes the view that this sector cannot continue providing services in peace, but needs to be challenged to show a more complacent attitude towards intermodal solutions, on the assumption that it is unable to see their advantages, we are confident our companies will bank on their considerable resilience and rise to the challenge not to obstruct the Commission's programmes, but to help the Commission in obtaining the best logistic options for the EU trade.

The only condition for this to happen is that our unbiased and impartial advice is not underestimated, just because it values the advantages of all modes and it does not speak loudly for one side only, as many others do.