

## **Better- and useful- Regulation**

On February 8th, 2019, stakeholders representing the maritime logistics chain gathered in Paris at ITF OECD premises to discuss, in presence of DG Competition, DG MOVE, DG Trade representatives and a number of Member States, about the ongoing review of the Consortia Block Exemption Regulation for liner shipping.

The meeting was a positive initiative which allowed lively debates between representatives of the organizations who replied to the second consultation regarding the Consortia BER.

The initiative deserves appreciation as there are very few opportunities for stakeholders to meet and express their views face to face with regulators. Very often, the ultimate decision is taken after internal discussions within DGs, particularly when it comes to files that are not submitted to co-decision procedures.

In this respect, while one may agree that all consultations do not require to hold meetings involving all stakeholders, in the case of the Consortia BER, the meeting in Paris has proven to be useful and confirmed that contrary to some parties' beliefs, the effect of the Regulation is far reaching and impacts other industries than liner shipping.

This is why it remains crucial, in the framework of the Consortia BER review, to assess whether the existing provisions or the legal void resulting from the lack of clarity of the text actually leads to counterproductive effects or, even worse, compromises the level playing field between different actors of the chain.

There is no single day where the new buzz word "data" and its related concepts and processes (data sharing, data mining, data ownership etc...) are not evoked by institutional and non-institutional actors.

We are in the "age of data". One cannot therefore imagine that better -and useful- Regulation could be elaborated/reviewed without being challenged by a comprehensive collection and exploitation of relevant data.

Any legal assessment of a regulatory framework should take into account up to date market related information.

We need better -and useful- Regulation that provides clarity, ensures fair competition and preserves balanced commercial relationships within the maritime logistics chain.



**08-02-2019 – TIC 4.0 Plenary meeting – Marseille**

Representatives of more than 20 companies representing container terminal operators and their equipment and solutions suppliers gathered in Marseille at CMA-CGM headquarters in Marseilles.

The third plenary meeting of TIC 4.0 (Terminal Industry Committee 4.0) was chaired by Mr Boris Wenzel, Terminal Link. Debates and exchanges were moderated by Mr Frank Kho with the assistance of Fundacion of the Port of Valencia who ensures the back-office of TIC 4.0. The meeting allowed participants to be updated about the process workflows related to each WG:

1. STS – SC: Chaired by: Eurogate - Vice Chair: Liebherr
2. Rail CRMG – TT: Chaired by: DP World - Vice Chair: Konecranes
3. RTG – TT: Chaired by: Terminal Link – Vice Chair: RBS
4. SC– SC: Chaired by : APMT - Vice Chair: Kalmar
5. TT- Chaired by: ECT –Hutchison - Vice Chair: Konecrane

In the coming weeks, each working group will elaborate a description of the process, using a use-case approach to start defining each part of the process from a high-level perspective.

A follow up meeting will take place on March 14th with the working group coordinators to exchange about the work progress.

TIC 4.0 Steering Committee as well as members will attend TOC Europe in June 2019 and provide updates about the ongoing work.

**08-02-2019 – ITF Stakeholders’ meeting on Consortia BER review – Paris**



**Stakeholders in the Maritime Logistics Supply Chain call for a repeal of the Consortia BER**

Organisations representing the main maritime logistics industry stakeholders (shipping lines, shippers, freight forwarders, terminal operators, labour, port authorities) as well as EU national maritime authorities met on the 8<sup>th</sup> February in Paris at a roundtable hosted by the International Transport Forum (ITF OECD).

The objective of the meeting was to exchange views and positions which could be relevant for the ongoing Review of the EU Consortia Block Exemption Regulation assessing the validity of the BER which provides the liner shipping industry a generous exemption from normal competition rules.

CLECAT, ETA, EBA, EBU, ESO, IWT, ESC, FEPORT, UIRR and the GSF representing users of liner shipping services and service providers (hereafter, the associations) all agreed that market developments which occurred over the last five years justify an in-depth review of the regulatory framework as this has not been done since 2009. They equally considered that the current framework has become obsolete given that most of the carriers operate in alliances and that market concentration is increasing.

At the same time, an important condition for the exemption, which is to provide benefits to the customers, is no longer met, as neither service quality nor productivity have improved over the years. Instead, users of liner shipping services and their service providers have suffered from an increasingly unbalanced market situation since carriers entered into major cooperation agreements.

In this regard, reference was made to the recent ITF Report “The Impact of Alliances in Container Shipping” which has concluded that “the impacts of alliances on the containerised transport system taken as a whole seem to be predominantly negative.’

Therefore, the associations jointly conclude that the Commission should repeal the Consortia Block Exemption Regulation unless a revised regulatory framework clarifying the current BER is adopted. In this respect, some of the associations have already submitted their detailed positions to the European Commission or will do so shortly.

The signatory associations trust that their concerns will be seriously taken into account by DG Competition who remains the guardian of the proper implementation of the rules of the Treaty. They thank the ITF OECD for providing a platform for dialogue as there was a general belief that the parties in the maritime logistics supply chain need to build on trust and dialogue.

### **12-02-2019 - Stakeholder Meeting – EU-China Connectivity Platform – Brussels**

On 12 February, FEPORT participated in an EU-China Connectivity Platform meeting hosted by DG MOVE. The aim of the EU-China Connectivity Platform, established in 2015, is to strengthen connections between Europe and Asia, which are extremely important given the ever-closer economic and commercial relationship between the two continents. The meeting provided an opportunity for stakeholders to provide input on the latest developments in discussions between the EU and China on this topic.

The meeting primarily focused on connections between Europe’s TEN-T network and China’s One Belt-One Road (OBOR) initiative. FEPORT has stressed that any joint infrastructure projects must be sustainable, both economically and financially, and have sufficient market demand.

FEPORT also supports the European Union’s position that logistics between the EU and China must be based on international standards.

### 13-02-2019 – World Maritime Week - Bilbao

On 13th February, FEPORT spoke on the current situation and early future of digital transformation within logistics during a roundtable discussion at the World Maritime Week Conference in Bilbao. The Conference gathered key stakeholders in the maritime logistics sector to discuss the key issues facing the sector.

During the conference, Mr. Conor Feighan (Policy Advisor – FEPORT), stressed that the main challenge from a legislative perspective is ensuring that the European Union is equipped with a legislative framework that is “future proof” and is not already obsolete by the time it is being implemented. Mr. Feighan pointed out the recently agreed European Maritime Single Window Environment Regulation as a good example of ensuring regulations are technology neutral and adaptable to future technologies.



### 19-02-2019 – ANESCO Workshop on “Digitalization and automation in container terminals” – Madrid

On February 19<sup>th</sup>, 2019, FEPORT secretary General, Ms Lamia Kerdjoudj-Belkaid has been invited to participate and speak at a conference organized by ANESCO, the Spanish Association of Stevedoring Companies. The theme of the conference was on "The future of port terminals: automation and digitalization."

FEPORT Secretary General was requested to provide the "European perspective on terminal automation and digitalization".



Ms. Lamia Kerdjoudj Belkaid explained that digitalization and automation are means to achieve strategic objectives which, in the case of terminal operators, are to enhance their service offer and ensure a seamless and efficient circulation of cargo flows.

“Digitalization and automation” are important dimensions of the 4<sup>th</sup> industrial revolution. Terminals are embracing them through investment in equipment, training, digital connectivity and IT solutions but also through engagement in increased

cooperation with other actors of the logistics chain”.

“We are in the era of the economy of platforms. All industries who will continue to operate in silos will face tremendous difficulties. This is why terminals have engaged with their suppliers to create TIC 4.0 (Terminal Industry Committee 4.0) to define common language to implement smart solutions and artificial intelligence in terminals” added Ms Kerdjoudj-Belkaid.

“Port authorities will also have an important role when it comes to facilitate business in ports. Port community systems must remain an efficient means to exchange data between different actors of the maritime logistics chain. It is also essential that Port Authorities offer an attractive environment to private investors thanks to good governance rules which respect the split of roles between public tasks and commercial ones. Last but not least, the decision to automate a terminal or not must remain in the hands of the terminal operator as he is the one managing the labour force and taking the financial risks” continued FEPORT Secretary General.

Commenting on the future of work in the context of automation, FEPORT SG mentioned: “Although the port sector is quite late compared to other industries when it comes to automation, one may understand the expressed fear regarding possible layoffs that it may lead to. The reality is probably more nuanced. First because not all terminals will implement automation. Second, because other jobs are and will also be created. Third, automation can be an opportunity to improve safety and to put an end to tasks that are tiring and difficult.”

Concluding, Ms Lamia Kerdjoudj-Belkaid said: “As business models are in constant evolution, they will require to rethink work organization as well as the deployment of the labour force. The support of employees, and their engagement to acquire new skills, will be a key success factor to implement digitalization as well as automation”.

The future of work raises anxiety in many sectors, and this is why it requires to be addressed in a comprehensive way as all sectors are impacted”.

## 20-02-2019 – PEMA Annual General Meeting – Amsterdam

On February 20<sup>th</sup>, 2019, FEPORT Secretary General, Ms Lamia Kerdjoudj-Belkaid, and Mr Boris Wenzel, Managing Director of Terminal Link and Chairman of TIC 4.0 (Terminal Industry Committee 4.0) were invited to speak at PEMA’s AGM.



FEPORT Secretary General presented terminal operators’ vision about the 21<sup>st</sup> century cargo handling industry and Mr Wenzel updated PEMA’s members about the current work within the different TIC 4.0 groups after the plenary meeting held in Marseille (*please see article in this newsletter*).

Commenting on the priorities of the industry, Ms Lamia Kerdjoudj-Belkaid, explained that cooperation between terminal operators and their suppliers will be crucial to embrace the 4<sup>th</sup> industrial revolution. She also underlined the fact that terminals are expanding their activities to offer new solutions aiming at facilitating the circulation of cargo flows beyond ports.

Digitalization and the use of artificial intelligence are on the agenda of terminals and constitute the means which will allow many actors of the sector to become more and more competitive.

“The times where terminals were merely concentrating on dock operations, loading and unloading cargo with no visibility on ETAs is over in many ports. Thanks to cooperation and investment in platforms to share data, terminals are better managing their yards and improving the coordination with intermodal and inland transport services” said FEPORT Secretary General

“More than ever, terminals believe in their role as bridges between the seaside and the landside. Physical and digital connectivity, interconnectivity, interoperability and smart operations are the dimensions on which terminals compete. To perform they will definitely need the support of their suppliers” concluded FEPORT Secretary General.

PEMA AGM was followed by a nice dinner which gathered more than 100 guests representing port equipment manufacturers, their customers as well as experts from other organizations and consultancies.

## 26-02-2019 – High Level Conference - Multimodal transport: towards the future - Brussels



On February 26<sup>th</sup>, 2019, Transport Commissioner Violeta Bulc and DG MOVE organized a High Level Conference: “Multimodal Transport: Towards the future” which gathered stakeholders representing all modes of transport.

The event aimed at closing the 2018 Year of Multimodality which had as primary objectives to promote the functioning of the transport sector as a fully integrated system to make better use of existing capacities in all transport modes thus improving efficiency of the logistics chains.

The conference offered an opportunity to summarize the achievements of the Year of Multimodality, to discuss with stakeholders possible gaps towards the transport system of the future, and address with them opportunities and new openings for a seamless multimodal transport system.

The event included two panel discussions - one moderated by Matthew Baldwin, Deputy Director General within DG MOVE, who questioned the

panellists about the lessons learnt during the Multimodality Year.

Magda Kopczynska, Director for Waterborne Transport, moderated the second panel dedicated to disruptive technologies and the opportunities for multimodal transport of the future.



It was quite interesting to note that there was a clear consensus on the fact that data will be the cornerstone for multimodality be it for freight or for passengers. The lack of harmonization and integration was identified by participants replying to a poll as the most important hurdles to multimodality.

The event was closed by the Director of DG MOVE, Mr Henrik Hollei who said that: "Multimodality offers us a unique opportunity to rethink our approach. We need to treat transport as a system rather than a collection of separate modes."

## FEPORT meetings

- 04.03.2019 Social Affairs Committee – Paris
- 27.03.2019 Customs & Logistics Committee – Brussels

- 11.04.2019 Board of Directors – Brussels
- 21.05.2019 Social Affairs Committee – Paris
- 23.05.2019 Environment, Safety & Security Committee – Brussels
- 12.06.2019 Customs & Logistics Committee – Brussels
- 13-14.06.2019 General Assembly – Burgas – Bulgaria
- 20.06.2019 Port Policy Committee - Brussels
- 19.09.2019 Board of Directors – Brussels
- 30.09.2019 Social Affairs Committee – Brussels
- 01.10.2019 Environment, Safety & Security Committee – Brussels
- 24.10.2019 Port Policy Committee - Brussels
- 06.11.2019 Customs & Logistics Committee - Brussels
- 14.11.2019 Board of Directors - Brussels
- 27.11.2019 General Assembly - Brussels
- 28.11.2019 Fifth Annual Stakeholders Conference – Brussels

## Other meetings

- 15.03.2019 Social Dialogue for Ports Meeting– Brussels
- 9.04.2019 TCG Plenary - Brussels
- 12.04.2019 DTLF – Subgroup 2 - Brussels
- 13-14.05.2019 IMO MEPC Meeting - London
- 12-13.06.2019 European Environmental Ports Conference 2019 - Antwerp
- 12.06.2019 Social Dialogue for Ports Meeting– Brussels
- 18-20.06.2019 TOC Conference – Rotterdam