



The European Freight and Logistics Leaders Forum

F&L Meets UK Minister of Transport Stephen Hammond

16th January 2013

“We are here to make business work”

proclaimed Parliamentary Under Secretary of State for Transport Minister Stephen Hammond when he met F&L in the House of Commons, London on 16th January 2013



Left to right: Kenneth Russell, Frank Arendt, Minister Stephen Hammond, Gerard de Groot, Gavin Roser

Setting the scene for open discussion on some of today's topical issues, **Gavin Roser** F&L Secretary General emphasized that “**F&L is a neutral forum, not a lobby group**. In reality you have access here to a wide range of highly successful **cross-border cross-industry organisations** who are working in or impacted by transport and logistics” he said. “F&L's role is to bring these organisations together to **learn, vigorously debate and to share best practice** – and with the global shipping/transport business as interdependent as it is on a plethora of disciplines, we have a **major role in opening communications** with as many stakeholders as possible”.

“Our Think Tank group is **led by shippers** and has undertaken a comprehensive study of the 2011 European White Paper on Transport 2050” said **Frank Arendt**, President of F&L and Associate Director Logistics Purchases Procter & Gamble.

Explaining that the group views the **White Paper vision as positive, ambitious and enthusiastic** and that the industry is in broad agreement with many of the goals, he said that the **strategy needs to have concrete, practical, tangible and achievable measures** and that previous **key problem areas and challenges**, although addressed in previous documents, remain the same and broadly unsolved.

Discussion revealed that the **Minister** is keen to **raise the profile of freight and logistics** with members of the public who do not always consider how the products they buy reach the shops.

“We want to **work with business and not dictate or regulate unnecessarily**” he said, adding that he understood the importance of **regulatory consistency for the transport sector to invest in equipment and facilities**.

Building and financing of the infrastructure is great, but **small/ focused schemes should prevail** the group agreed, pointing out that short distance truck fill (average 43% in Europe) should be remedied before expensive and long term capital projects.

“**Horizontal collaboration can greatly improve utilization of existing infrastructure**” said **Frank Arendt**, stating that P&G is currently moving shampoo with light products from other manufacturers to increase truck fill and is working together to achieve common efficiency goals.

“**Longer trucks** like those piloted in the UK **increase overall system efficiency** and these are supported by the European **road and intermodal sectors**” he said.

The **Minister** stated that he was keen to “**improve the connection**

between road and rail in the UK”, emphasizing that he was also interested in “**reducing bottlenecks to improve interconnectivity**”.

The group discussed the **benefits of Europe-wide standardization of road and rail equipment** and the **Minister** said he would support EU wide legislation where there was a **clear and evidenced benefit to industry**.

On the question of HGV lorry road user charging (of “foreign drivers” £10 per day), the group discussed that **a dynamic Europe and UK would prefer to think of systems reducing costs** instead of raising them but the **Minister** was clear in his reasons for **why the Bill will go some way to level the playing field**.

A single European transport area requires co-operation and integration beyond national borders!” said **Frank Arendt**, and “one European network”.

“The **new UK railfreight terminal in Radlet is welcome**” said **Kenneth Russell**, Director John G. Russell Transport “but it is in the wrong place as **Greater London is short of essential terminal capacity!**”

“**One of the three intermodal terminals** needed in the south-east of England has been approved” said **Mr Russell** and the **Minister** added that the UK is considering the



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construction of a **Euro-Gauge rail spine up to the Midlands.**

“The blue belt initiative of the European Commission is widely welcomed” said **Gerard de Groot**, who is actively involved in leading several transport ventures in the Netherlands and beyond. This legislative package that will be presented later this year will simplify customs procedures to realize the internal market for intra-EU maritime transport.

With regard to the maritime Single Window, the Port of Rotterdam and the Dutch Ministries involved have agreed to stimulate the use of port community systems for tracing the

journeys of ships. **“It will be easier for those who need it to access information which will speed up the process of interconnectivity. We need more of these kind of initiatives”**, **Gerard de Groot** said.

On the question of the **aggressive timescale to reduce the sulphur content of ship fuels** - which was discussed extensively at F&L's conference in London on 8th and 9th November 2012 with panelists including IMO, BIMCO, the UK Chamber of Shipping, the Maritime Coastguard Agency and ESL Shipping - the **Minister** asked for evidence to suggest that **additional costs of maritime fuel would lead to**

migration of short sea traffic back to road. This will be addressed by F&L. “95% of the total volume of UK import and export trade arrives by sea. **Sustaining a thriving maritimesector is a priority for the UK Government”** said **Minister Hammond.**

Further meetings are planned with the Minister. F&L will address these issues and many others over 2013. The next F&L meeting will be held in Istanbul on 23rd and 24th May 2013. See [F&L website](http://www.EuropeanFreightLeaders.eu) for details.

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