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THE NEED TO ASSESS CONNECTIVITY MEASURES THAT WILL ENHANCE FREIGHT TRANSPORT EFFICIENCY AND HELP ACHIEVE THE 2015 AGENDA

by

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Distinguished and Honourable Delegates,

Subject: The Need to Assess Connectivity Measures that will enhance Freight Transport efficiency and help achieve the 2015 Agenda

No one can deny the critical importance of 2015 for the future of our society, environment and economic outlay. With two pivotal agreements on the horizon, the new post-2015 sustainable development agenda and the climate change agreement at the UNFCCC COP21, there is vast importance to firstly inform industry, governments and all stakeholders of the role they must play and secondly to ensure they are ready to play it.

One particular area that has been given much more attention especially in the context of climate change is logistics. Within the climate change pillar of the SDG agenda and the UNFCCC COP21 agreement, freight transport has come to light being given a large role to play in ensuring we move away from the projected 4-6 degrees world temperature level down to 2 degrees as targeted.

It is no secret that greenhouse gas (GHG) emissions from the transport sector has risen considerably more than doubling since 1970 and increasing at a faster rate than any other energy end-use sector with around 80% of this increase coming from road vehicles.[1] The global transport industry is continuously engaging in research and development (R&D) activities to become more carbon and energy efficient. However, they cannot take on this challenge on their own. They require support through the availability of enhanced new technologies, governmental aid and behavioural changes.

This support should not aim to limit freight transport efficiency but create environments that would allow for more seamless travel. To achieve such outcomes, FIATA emphasises more focus on enhancing logistics connectivity in conjunction with greater trade facilitation by interconnecting all modes of transport to offer seamless travel, better lead times and less congestion resulting in greater movement of goods and stimulus economic package.

We ask policy makers to not only focus on enacting legislation that will set GHG target emissions for which the industry must remain compliant. But to look at the glass half full and enact policy that would enable infrastructure development, technological research, and tracking procedures leading to enhanced connectivity and efficient transport operations that would in turn stimulate economic growth.

The EU is already working on such initiatives to not limit the transport industry but provide it with opportunities to become sustainable. Instead of quickly enacting legislation for target setting, the Commission has developed a computer simulation tool, VECTO, to measure CO2 emissions from new vehicles. With the support of this tool, the Commission intends in 2015 to propose legislation which would require CO2 emissions from new Heavy Duty Vehicles (HDV) to be certified, reported and monitored.[2] In addition, the Commission is considering the development of modern infrastructure supporting alternative fuels for HDVs and smarter pricing on infrastructure usage. An impact assessment will be done to identify the most cost-

[1] http://report.mitigation2014.org/report/ipcc_wg3_ar5_chapter8.pdf
[2] http://ec.europa.eu/clima/policies/transport/vehicles/heavy/index_en.htm

effective options.[3] Studies carried out while preparing the strategy suggest that state-of-the art technologies can achieve cost-effective reductions of at least 30% in CO2 emissions from new HDVs.[4]

The rise of technologies has also given way for governments to implement creative legislation through programs that would allow private sector organisations to finalize research and produce ready e-products that would help secure emissions targets. At the 2015 International Transport Forum, Siemens presented its electrification of freight traffic utilizing eHighways as an efficient and resource-saving alternative to reduce environmental damage.[5] The concept it is based on proven railroad technologies. Scania is another presently testing two technologies in this field: powertrain technology with a hybrid powertrain which can be supplemented by conductive electrical transmission through overhead lines, or powered through the road surface using induction, and thus become completely electrically powered on electrified road sections.[6]

Apart from identifying and implementing sound solutions, there is also the need to track to progress through a proven standardised calculation methodology. However, as it stands, there is no global standard for measuring carbon footprint of logistics due to its complexity. In Europe, CLECAT in conjunction with DSLV, have recently published a guide[7], a practical tool for freight forwarders and logistics service providers that seek to make use of the recently published CEN standard[8] in order to determine their environmental footprint. Only with a uniform standard can industry understand how and where the optimum emission savings can be made in their supply chains. FIATA encourages Member States and in particular France who has been in the driving seat at European level for a standard, and the first to make the measuring of emissions in transport mandatory,[9] to push for a standard calculation method for measuring carbon footprint.

These are just a few best practice examples that highlight the opportunities when discussing climate change instead of focusing on target setting that could ultimately hamper industry. As the rise of environmental challenges in the coming years, in particular climate change, may place pressure on governments to curtail logistics activity, there will be a need to highlight the immense benefits of investing in sustainable logistics growth, which will bring forth the right combination of economic and environmental benefits. Developing consistent global policy on sustainable logistics connectivity can impress the required acceleration to achieve interconnected production and consumption, but failing to do so may increase expenditure by introducing a cost for inaction which may defeat all efforts toward development.

We anticipate governments will focus on key policy instruments including taxation, financial incentives, regulation, liberalisation in order to implement the SDGs. Many of these policies will have freight move in the most promising way for easing environmental and congestion problems, as well as freeing up budgets to invest in infrastructure. If the requirement to invest in logistics connectivity is not clearly perceived at inception, it is possible that inefficiencies prevail with trade suffering and prosperity finally remaining a dream.

FIATA has unanimously embraced the concept of logistics connectivity and thus created a high powered working group on Sustainable Logistics under the Advisory Body of International Affairs (ABIA), whose members focus in particular on the topic of sustainable transport. The Working Group members, consisting of a unique body of decision makers from a wide range of countries within the Private Sector, are ready to contribute to this process and provide their support.

We thank you in advance for your consideration and remain at your fullest disposal to discuss this topic in greater detail if appropriate.

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[3] Same as reference 2
[4] Same as reference 2
[5] http://2015.internationaltransportforum.org/sites/files/itf2013/files/documents/en/Siemens_presentation.pdf
[6] http://2015.internationaltransportforum.org/sites/files/itf2013/files/documents/en/Scania_presentation.pdf
[7] http://www.clecat.org/images/CLECAT_Guide_on_Calculating_GHG_emissions_for_freight_forwarding_and_logistics_services.pdf
[8] CEN standard EN 16258, covering a "Methodology for calculation and declaration of energy consumption and GHG emissions of transport services" was published in January 2013.
[9] http://www.environmentalleader.com/2015/06/01/france-first-to-introduce-mandatory-carbon-reporting-for-investors/

Yours sincerely,

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About FIATA

FIATA, the International Federation of Freight Forwarders Associations, was founded in Vienna, Austria on May 31st 1926. It is a non-governmental organisation that today represents an industry covering approximately 40,000 forwarding and logistics firms, employing around 10 million people in some 160 countries. FIATA has consultative status with the Economic and Social Council (ECOSOC) of the United Nations (inter alia ECE, ESCAP, ESCWA, etc.), the United Nations Conference on Trade and Development (UNCTAD), and the UN Commission on International Trade Law (UNCITRAL) as well as many other UN related bodies, e.g. the World Bank. It is recognised as representing the freight forwarding industry by many other governmental organisations, governmental authorities, private international organisations in the field of transport and logistics, such as the European Commission (through CLECAT), the International Chamber of Commerce (ICC), the International Air Transport Association (IATA), the International Union of Railways (UIC), the International Road Transport Union (IRU), the World Customs Organisation (WCO), the World Trade Organisation (WTO), etc.

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