

Relevance of a pan-European status for freight forwarders

UNECE

**Working Party on Intermodal Transport and Logistics
(WP.24)**

2014-06-13

2014-06-13

Tommy Pilarp, Senior Legal Counsel

The relevance of Pan European Status for Freight Forwarders

PURPOSE ?

The relevance of Pan European Status for Freight Forwarders

- Road hauliers access to the common (EU) market regulated in (EC) 1071/2009
- Other professions such as lawyers, doctors, accountants, must meet certain requirements in order to gain access to national and / or the common market
- Why should Forwarders access to the common market not be regulated ?

Why not ???

Regulated – NOT restricted

The relevance of Pan European Status for Freight Forwarders

Possible criteria for EU status and access to the common market

- ✓ Financial criteria (sound, no prior defaults with taxes or VAT)
- ✓ Post bond with national authority
- ✓ Bank guarantee
- ✓ "good repute" criteria
- ✓ 'Proven knowledge' of market, conditions and 'best use'

The relevance of Pan European Status for Freight Forwarders

Positive aspects of EU status:

- ✓ Will increase trust and faith in Forwarders as business counterparts
- ✓ Reliability
- ✓ 'Guarantee' of 'best use'
- ✓ Knowledge of the logistic chain
- ✓ Quality assurance

Works to the benefit of the whole Freight Forwarding community

The relevance of Pan European Status for Freight Forwarders

Negative aspects of EU status:

The relevance of Pan European Status for Freight Forwarders

Any Rules or Regulations regarding EU-status and access to the common market must;

- Be uniformed through out the EU
- Not be different in individual Member States
- Grant access to the entire common market

- Transparent
- Non-discriminatory

The relevance of Pan European Status for Freight Forwarders

Should status and access be open for non-EU Freight Forwarders?

- Representation in the EU or incorporation ?
- Open on 'equal terms' for EES Forwarders and Forwarders from third countries with association or other international agreements with the EU
 - ✓ Requires reciprocity !

The relevance of Pan European Status for Freight Forwarders

- Access and authorization must be granted every (EU) Forwarder who meets the criteria
 - ✓ No discrimination

- Access and status could be subject to annual review
 - ✓ Or other fiscal period as applicable
 - ✓ EU-standard or up to each individual Member State ?

The relevance of Pan European Status for Freight Forwarders

- If access and status should be able to revoke, such as in cases of loss of 'good repute', transparent rules and 'due process' must be followed.
- Possibility to appeal revoked status !
- Carriers or cargo owners must not be able to 'abuse' the system by claiming revoked status for default of payments disputed.

The relevance of Pan European Status for Freight Forwarders

In today's world, Freight Forwarders use different modes of transport

- Each mode of transport has Rules and Regulations that are specific for that particular mode of transport.
- Different modes of transport means different requirements of 'mode specific' knowledge and expertise.

Should access and status be granted on an general 'overall basis' (covering 'transport' regardless of mode of transport used) or for each specific mode of transport individually ?

The relevance of Pan European Status for Freight Forwarders

If access and status is granted for each specific mode of transport (individually)

- Detailed 'mode specific knowledge' required and must be proven

If access and status is granted on 'general basis' covering all modes of transport

- Only general knowledge not 'mode specific' would be required (and proven ?)

The relevance of Pan European Status for Freight Forwarders

Mode of transport specific access and status

- Might lead to sub-contracting of 'mode specific Forwarders' by a 'general status' main contracting Forwarder.
- Cargo owners need to ascertain that 'main contracting' Forwarder has mode specific knowledge.

General 'non-mode of transport specific' access and status.

- Any real difference from today ?
- ✓ Except for bond-posting and bank guarantees where such are not necessary today.... ?

The relevance of Pan European Status for Freight Forwarders

Mode of transport specific access and status

- Most likely only large Forwarders are able to achieve mode transport specific status and access for all four modes of transport
- Smaller or medium sized Forwarders would be single- or dual mode Forwarders, creating smaller 'niche' Forwarders and larger 'all mode' Forwarders

The relevance of Pan European Status for Freight Forwarders

Mode of transport specific access and status

- Likely to create a world-wide (or EU) market dominated by a few large Forwarders with enough in-house knowledge to gain status and access for all modes of transport
- Might lead to less competition for intermodal transport, which will lead to (negative) spill-over effects for one or dual Forwarders

Might lead to a distortion to the market which is detrimental to the consumer (cargo owner)

The relevance of Pan European Status for Freight Forwarders

Purpose ?

- ”To achieve a high level of status within the Freight Forwarding community, guaranteeing knowledge, professionalism and financial guarantee”

(Possible) Result ?

- Depending on how requirements are defined, the result may lead to a market domination of a few major Freight Forwarders.

Desired result?

Thank you for your attention

Tommy Pilarp,
Secretary General
Senior Legal Counsel, LL M
Swedish International Freight Association (SIFA)

Telephone + 46 (8) 762 71 76
 + 46 (0) 73 044 71 76

E-mail: tommy.pilarp@transportgruppen.se