

A Shippers' Guide to European Road Freight

Edition 2 • March 2017



About FTA

FTA represents the freight interests of business throughout the UK. Its members range from small and medium sized businesses to multinational companies involved in operating across all modes of transport. Its 16,000 members operate over 200,000 heavy goods vehicles – half of the UK fleet and in excess of one million light vans. They are also responsible for consigning over 90 per cent of freight moved by rail in the UK and over 70 per cent of UK visible exports. This unique multi-modal mandate enables FTA to speak authoritatively on all aspects of freight, reflecting the transport needs of industry within the economy.

Readers of this guide will be aware that FTA's work is not just concerned with transport matters within the UK but also extends into Europe through its Brussels office and globally with its provision of the secretariat of the Global Shippers' Forum (GSF). The Brexit vote at the end of June 2016 has highlighted the importance of the international activities of many members and led to the establishment of webinars with members and meetings with ministers. In October 2016, David Wells, FTA Chief Executive, met Secretary of State for Transport Chris Grayling to outline priorities to ensure UK businesses stay competitive in the post-Brexit world. He highlighted that European workers are vital to the logistics industry, not only as drivers but also as forklift operators and warehouse staff. EU nationals make up 11 per cent of the total workforce in the sector. It was also emphasised that any new trade arrangements should not add red tape or make home-produced goods more expensive, and underlined that cross-Channel and cross-border security could be most effectively maintained by retaining border checks in Calais. The Transport Secretary took FTA members' concerns on board and said he would press for tariff-free trade and endeavour to make the movement of goods as easy as possible.

Other international interest groups within FTA besides the GSF include the British Shippers' Council, together with specialist aviation and customs interest groups. To find out more about these groups and for details of how to join them contact any of the Global and European Policy team members listed here.

Global and European Policy team

Director of Global and European Policy

Chris Welsh MBE
Tel: 00 44 (0)1892 552308
Email: cwelsh@fta.co.uk

EU Affairs Manager

Chris Yarsley
Tel: 00 32 (0)22 86 1133
Email: cyarsley@fta.co.uk

Head of Global Policy, FTA and Head of Policy, GSF

Alex Veitch
Tel: (0)7818 450548
Email: aveitch@fta.co.uk

Global Policy – Team Co-ordinator

Sue Darrington
Tel: 00 44 (0)1892 552299
Email: sdarrington@fta.co.uk

Head of European Policy

Pauline Bastidon
Tel: 00 32 (0)22 86 1143
Email: pbastidon@fta.co.uk

Consultant – International Affairs

Donald Armour
Tel: (0)7818 450525
Email: darmour@fta.co.uk

A Shippers' Guide to European Road Freight is just one of a series of publications from FTA/GSF which will assist shippers with their freighting activities in Europe. Briefing notes and other information useful to shippers are available to members on the FTA website www.fta.co.uk

For details of how to join FTA contact the Member Service Centre on 03717 11 22 22*

Contents

An introduction to road freighting across Europe	4
Permits and licences	5
Operations	10
Financial issues	25
Driver issues	33
Vehicle issues	38
The CMR Convention	45
Dangerous goods	49
An overview of supply chain security	53
Dealing with Customs and international trade issues	57
Road transport legislation and Brexit	61
Brexit, international trade and Customs	64
Country information – Czech Republic	68
Appendices	80
1 Permits and licences – additional information	80
2 List of freight ferry services	82
3 Operations	86
4 Shippers' security checklist	88
5 Road user charges	90
6 Driver issues	92
7 More on weights and dimensions of vehicles	95
8 Additional information on the CMR Convention	97
9 Dangerous goods transport	104
10 A shipper's checklist for goods involving road transport to a difficult destination	106
11 Road transport legislation and Brexit	107
Useful references/contacts	110

©Freight Transport Association 2017. All rights reserved.

All rights in this documentation, including (but not limited to) copyright, trade marks, logos, designs, concepts, ideas, methodologies, confidential information or other intellectual property or proprietary rights ('IPR'), is owned by Freight Transport Association or used under licence from third party owners. Any use of this documentation or its contents, including copying or storing it or them in whole or in part, other than for your internal business purposes, is prohibited without the written permission of Freight Transport Association. You are prohibited from copying, modifying, transmitting, distributing, selling, displaying, licensing or reproducing any content including images and other media in this documentation for any commercial purpose of your own. In addition, you will treat the confidential information in this document as confidential and will require those in your organisation to do the same, and will not disclose or not reproduce any confidential information contained within this documentation in any form, including electronic readable or hard copy form, except with the Freight Transport Association's prior written consent. Freight Transport Association does not provide any guarantee or warranty in respect of information or IPRs belonging to other third parties.

FTA thanks the International Road Transport Union (IRU), Excello Law Ltd, Strong and Herd LLP and others that have helped by providing content during the preparation of this guide.

An introduction to road freighting across Europe

This publication is intended to raise the awareness of shippers when making arrangements for moving their companies' products by road across Europe. For the sake of completeness occasional references are also made to non-European Union countries where relevant. It should also be informative for forwarders and consolidators using third party international logistics service providers or contractors¹ for the same purpose.

Customs and other changes that will be forthcoming as a result of the UK's referendum decision to leave the EU are still largely unknown at the time of writing and are likely to take shape over many months. FTA will continue to keep members informed.

International operations are often regarded as complex, involving ever-changing road traffic regulations and Customs procedures, with heavy penalties for non-compliance; and having too many problems for anyone to handle competently other than a specialist forwarder or transport operator. But this arm of distribution is no different from any other; however, it needs shippers to have a working knowledge of the legislation and procedures involved, together with skilled and knowledgeable overseas contacts able to provide specialist, in-depth advice

when required. It is intended that members' practical experience together with this FTA specialist guide will help to de-mystify the transport environment and facilitate the operation of shippers' supply chains.

With the development of modern communication technologies and improving network coverage it is becoming ever easier for managers back at base to keep in touch with events hundreds of miles away. When exporting or importing goods to or from abroad more reliance has to be placed on the skills and abilities of drivers, who need to be able to handle all the essential documentation and to deal diplomatically with a wide variety of awkward situations which will occasionally and inevitably arise.

Shippers need to ascertain as best they can, that their contractors are carefully selected and that drivers are subsequently trained and monitored, as required by both EU and national legislation as well as for their own peace of mind. For these reasons, some of the contents of this guide are driver/operator focused. This is intentional because it is important that shippers have an appreciation of the factors affecting the environment through which their goods will pass en route to their final destination.

¹ For the sake of simplicity the term 'Logistics Service Provider' or 'contractor' has been used throughout this document, to include haulier, owner driver and fleet operator.

Permits and licences

Why shippers need to know about this

It is getting progressively easier to move goods across Europe and most of the old red tape has disappeared with the emergence of the European Single Market. At present, journeys between the UK and other EU member states are governed by common rules; this may change to a greater or lesser extent in the coming years as the Brexit procedure progresses.



The 28 EU member states are Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

As well as applying in the 28 member states of the EU, licences to operate (known as Community Authorisations) issued to vehicle operators are also valid in the four member states of the European Free Trade Association (EFTA): Iceland, Liechtenstein, Norway and Switzerland. Three EFTA states (Iceland, Liechtenstein and Norway) belong to the European Economic Area (EEA), which unites the 28 EU member states and the EFTA countries in an internal market. Many EU regulations are also applied in all the EEA countries; only in some areas do local laws still apply and therefore conditions vary.

Vehicle operators can also get permits for additional countries such as Bosnia Herzegovina and Montenegro by using ECMT (European Conference of Ministers of Transport) multilateral permits. Further information is available from IRFO (International Road Freight Office) (page 6).

Shippers should make sure their logistics service providers are aware of any necessary permit or licence requirements for particular destinations.

Permits for own account operations

The permit system was devised for use by road hauliers and permits are not normally required by businesses transporting their own products. However, Russia, Turkey and Morocco are exceptions to this general rule and the list changes from time to time. Shippers are advised to contact IRFO or the FTA Member Advice Centre for the latest information if they are considering sending goods by road to particular non-EU countries via their own vehicles and are unsure about the need for transport permits.

Countries with whom the UK has no agreement

Logistics service contractors carrying goods destined for countries outside of the EU with which the UK does not have a liberalised transport agreement may need to get a licence direct from the authorities of that country. It is recommended to get in touch with the relevant country's embassy in the UK before commencing the journey.

Whether or not a permit is necessary will depend on the country(ies) en route, the size of the vehicle and the nature of the goods being carried. Depending on the terms of the permit it may still be necessary to pay certain local taxes.

UK permit allocation

The Driver and Vehicle Standards Agency (DVSA) acts as the issuing agent, with the International Road Freight Office (IRFO) being the issuing body for all foreign permits where they continue to be required.

International Road Freight Office (IRFO)
 Eastern Traffic Area Office
 1st Floor, City House, 126–130 Hills Road
 Cambridge CB2 1NP
 Tel: 01223 531030
www.gov.uk/government/collections/international-road-freight-office-irfo-forms

MEMO

To avoid any unnecessary delays to their consignments, shippers should ensure that their logistics partners have checked whether or not permits may be required en-route or at the country of destination.

MEMO

If in any doubt as to whether or not a permit may be required for a particular destination, IRFO should be contacted well in advance of the journey.

Operator licensing

Shippers should satisfy themselves that any logistics service contractor engaged to move their goods is properly established. As far as UK registered companies are concerned this requirement is met through operator licensing. The requirement to hold an operator's licence (an O licence) for vehicles with a maximum gross weight in excess of 3.5 tonnes arises from the Transport Act 1968 as amended. Any logistics contractor carrying goods for hire and reward, including movements to other EU member states or third countries, is required to hold a standard international O licence and Community Authorisation document, both of which are valid for a five-year period. Similar legal requirements requiring compliance with certain minimum standards are in place across other European countries.

Such a contractor must have in their employment a person who holds an international Certificate of Professional Competence (CPC) and who, either alone or with others, has the day to day responsibility for running the vehicles which are subject to the licence (see member memo opposite).

Shippers transporting only their own goods in their own vehicles need to hold a restricted O licence. Such a licence confers entitlement to carry their own goods both nationally and internationally and does not require them to employ a CPC holder although many do so. Any holder of a restricted licence found carrying goods for others for hire and reward is liable to severe penalties, including the possible revocation of the company's O licence.

Shippers transporting their own goods

- Known as 'own account' transport, this is where the vehicle is being operated for, or in connection with, any trade or business carried out by the user of the vehicle, but not the business of carriage of goods for hire or reward (road haulage). This carriage of goods on own account between all EU countries and the UK is free from quota and permit restrictions, as long as the following conditions are fulfilled.

MEMO

It is important for shippers to ensure that their supply chain arrangements have been made with properly established and reputable business partners.

Proof of their O licence is a good place to start.

MEMO

Details of international CPC and other courses are available from FTA's Member Service Centre on 03717 11 22 22*.

- The goods carried must be the property of the business or must have been sold, bought, let out or hired, produced, extracted, processed or repaired by the business
- The purpose of the journey must be to carry goods to or from the business or to move them, either within the business or outside, for its own needs
- Vehicles used for such carriage must be driven by employees of the business
- The vehicles carrying the company's goods must be owned by the business having been bought by it, on lease purchase or contract hire (this provision does not apply to the use of a replacement vehicle during a short breakdown of the regular vehicle)
- Haulage must not be the major activity of the business

Own account documents

To confirm that the journey is on own account, shippers are advised to carry on the vehicle an 'own account document' containing the following.

- The name and address of the company
- Details of the trade or business
- The nature of the goods being carried
- The loading and unloading points
- Registration number of the vehicle being used
- The route taken

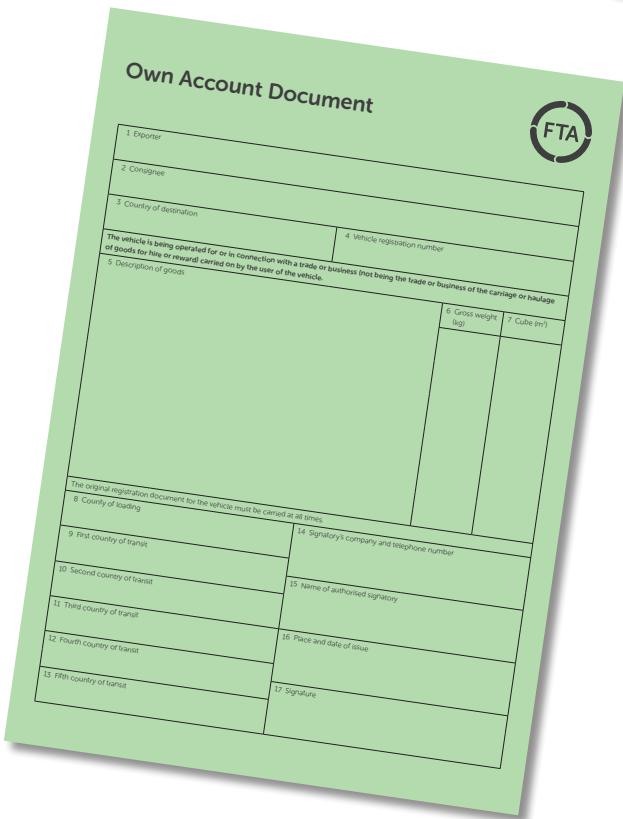
The driver may be asked by enforcement officers abroad to give evidence of the ownership of the goods and more details of the company; furthermore they may be asked to produce the certified copy of the Community Authorisation, which may not even exist within an own account operation.

An own account document is mandatory for own account transport operations between the UK and Cyprus or the UK and Hungary and should be part of the driver's documentation.

For more information on permits and licences refer to **Appendix 1** (see page 80).

MEMO

FTA provides own account documents for a small fee. To order, contact the FTA's Shop on 03717 11 11 11*



Operations

Why shippers need to know about this

In order to provide a professional service to their clients, shippers need to effectively manage their logistics service providers and have an understanding of how the road transport industry operates. Road transport in Europe is highly regulated at pan-European, national and local levels but there are other facets to fleet operations which are useful for shippers to know. This section provides a 'behind the scenes' introduction for shippers to European road freight.



Choosing your logistics service provider

For the purpose of this guide it is assumed that the shipper has already decided to contract-out the logistics activity to a professional third party rather than manage distribution in-house. But how to choose the actual logistics service provider is usually a complex decision which should ideally be decided by a representative working party of the shipper's employees which can bring different elements to the table during contractual discussions.

During the first decade of the 21st century and not long after the enlargement of the EU in 2004, UK registered vehicles provided traction services for 50 per cent of the cross-Channel market, a figure which halved by 2010 largely due to the arrival of new entrants into the industry from eastern Europe. Since then the transport industry has moved on and now the UK market share is hovering at about 17–19 per cent.

Today there is little to choose between the logistics services offered by many European companies irrespective of their member state of establishment, certainly as regards quality of service. Choosing an eastern European-based company might provide the shipper with more competitive pricing and the helpful in-depth knowledge of a local operator; but

contracting with a haulier from a longer-established member state might provide the shipper with a greater choice of larger, well-established companies that offer more value-added services alongside core haulage, storage and distribution functions.

The choice is a difficult one and shippers may consider the advantages and drawbacks of sharing out their distribution requirements amongst a small number of suppliers, who may be SMEs. Most will tend to concentrate on specific countries, or regions within countries, or on the carriage of specific types of freight, as often they do not have the financial resources to build a pan-EU business.

FTA has drawn up the following list of points and/or questions for shippers to consider putting to a prospective logistics service provider or sub-contractor to gain more information about their business and its compatibility/suitability with the shipper's requirements. These might include the following.

- Date of establishment, size of vehicle fleet and variety of vehicle/trailer types; number and location of depots
- Details of services offered such as: parcels, pallets, groupage, part and full loads delivery on the same day, next day, express or economy services; 'out-of-gauge' bulky or heavy loads; warehouse storage with or without delivery and/or collection services; 24/7, 365 days a year customer support; Customs clearance services and export documentation, Intrastat service, T forms
- Extent of reliance on the use of sub-contractors and their networks?
- Has the business grown organically or by acquisition?
- Is there expertise in particular business sectors?
- Have there been any notable new contract wins/new warehousing – expansion in sqm/establishment of new locations – in recent months?



MEMO

"Well educated, professional drivers are the key to making all roads safer and keeping economies moving" – IRU

- To what extent does the business invest in staff development, such as training, qualification, provision of career development paths, particularly including drivers?
- Is the business looking to non-core/non-traditional areas and/or innovative solutions for its potential growth?
- Does the company operate distribution hubs across Europe offering a full range of transport services to its clients?
- What are the USPs or defining services offered by the company?
- What are regarded as the most important service factors for shippers? Reliability, cost, communications, crisis management or a personal relationship?
- Are shorter contracts and spot rates on offer?
- Can we access your IT systems to monitor the exact location of our consignments whether in storage or on the road?
- Can you provide us with IT services such as tracking, real time booking and an online freight platform?
- Do you offer change management support, records management, consultancy, factory production support?
- Is your company a 'trusted trader' as defined by the UK Home Office/Border Force? (This is new: more news in 2017)

In today's connected world, shippers are increasingly able to access more freight information such as price benchmarking and tracking technology than ever before. Shippers should find themselves more often than not in the driving seat of a client/supplier relationship, expecting more service from providers anxious not to lose their customers; and be able to create a set of contract conditions that work to their satisfaction.

Compensation for poor contract performance

But what if the shipper is concerned about the performance of their service provider that has been so carefully chosen, perhaps after having taken account of some of the criteria set out in the last section? There are only so many core aspects

to a transport/distribution contract but how to judge fair compensation for less than anticipated contract performance, especially for large volume shippers?

One school of thought is that KPIs may be used as a tool to incentivise a logistics contractor to provide a service which is completely tailored to the needs of the shipper. In this hypothetical example, the shipper is a manufacturer of goods destined for up-market retail outlets. The KPIs are for illustration only, shippers will have their own choices in real life. The contract between the shipper and service provider is an open book one, where the provider's costs are re-imbursed and it is paid a management fee; but in addition the provider can receive a significant performance-related bonus. The KPIs selected by the shipper are as follows.

- Damage to goods
- Orders met same day
- Picking success
- Theft and stock loss
- Goods returned
- Cost reduction (compared with last year)

The shipper then has to ascribe a different weighting to each of those KPIs, depending on the relative importance of each KPI to the business. The aggregate of all the weightings should come to 100. So the KPI weightings might look like this.

Damage to goods	15
Orders met same day	20
Picking success	15
Theft and stock loss	10
Goods returned	10
Cost reduction	30

In the final step of the creation of the contract, alongside each KPI and its weighting, is added a sliding scale of KPI targets from 100 per cent for top performance against that KPI, then 75 per cent, 50 per cent, 25 per cent and 0 per cent for an

effective 'fail' against that KPI. What constitutes a 75, 50 or 25 per cent achievement of course is decided by the company. With this as the background, doing the maths can indicate that even if there has been a large number of goods returned for example, in other areas of the contract it has been well performed and the shipper can agree with the logistics service provider, an overall percentage score which can be used to calculate the value of the performance-related bonus due to be paid.

Using ferries and the Channel Tunnel

There is a variety of service providers crossing the English Channel and it is worth looking at the various packages on offer from the companies involved. Specialist online agents may also be an option worth considering. A logistics service contractor may be able to obtain discounts, which normally operate on a sliding scale based on the money spent with the ferry company in a particular period. Shippers should ensure their service providers seek competitive sea freight quotations from agents and freight forwarders, as well as from the ferry operators themselves.

Smaller hauliers will often not be eligible for these discounts, but it is possible for them to register with online booking agents who may give preferential rates of discount. These schemes are also useful for the larger road haulier who does not use a particular port regularly but wishes to obtain the best possible prices.

All ferry companies and Eurotunnel reserve the right to add a premium charge for the carriage of certain cargoes such as hazardous goods subject to the ADR rules. Shippers need to be aware that different quantity and weight regulations apply to the transport of certain products through European tunnels as well as by ferry and train, and pack and label consignments accordingly. Prior arrangements should normally be made with the ferry operator for the carriage of these types of cargo, details of which will be found on ferry companies' websites. Failure to provide full cargo details in advance may delay the progress of the consignment. More details about dangerous



goods will be found in the Dangerous goods chapter (page 49).

There are also surcharges for vehicles which exceed the normal maximum width or weight and for unaccompanied trailers if the ferry company has to move them.

For ease of reference, shippers will find the following freight contacts useful for Eurotunnel and cross-Channel ferry services operating the Dover–Calais route.

Eurotunnel	Web	www.eurotunnelfreight.com
	Twitter	@TruckShuttle
DFDS	Web	www.dfdsseaways.co.uk
	Twitter	@DFDSUKUpdates
P&O Ferries	Web	www.poferries.com
	Twitter	@POferriesFR8

Operating goods vehicles internationally, even just within the EU, can be a complex business and costly and disruptive when things go wrong. Shippers should be aware of the following issues.

Illegal migrants

Why shippers need to know about this

The UK remains an attractive destination for migrants from across Africa and Asia and every year thousands attempt to stow away on lorries heading to England from France and Belgium. Shippers' inbound supply chains can be seriously affected if stowaways are found in their contractors' lorries, due to possible damage to goods, rejection of goods by the consignee or disruptions to schedules.

Shippers should ensure that their contractors are aware of the UK Border Agency Code of Practice and hauliers' accreditation scheme; and that their drivers are trained in procedures for security checking and reporting of stowaways.



MEMO

Shippers should ensure their logistics contractors explore all the various offers available when negotiating the best cross-Channel deal with service providers.

A list of ferry operators serving the UK is at Appendix 2 (page 82).

Companies shipping goods across the English Channel will be well aware of the presence and sometimes violent actions of would-be stowaways (clandestines) in and around the ports of northern France waiting their chance to board UK-bound lorries. Clandestine entrants to the UK represent a serious problem to drivers, who risk being assaulted; to vehicles, which may be damaged; and to their loads, which may be damaged or fouled and subsequently rejected by consignees. Should clandestines be detected on board a vehicle the transport company may have to pay a hefty fine.



Source: UKBA

Despite numerous actions undertaken by the European Union and individual member states, impacts of the international migration crisis continue to affect supply chains across the EU and not just cross-Channel. More than 350,000 migrants entered the EU during 2016 and authorities are still dealing with the consequences of the arrival of more than one million people in 2015.

FTA is aware that migrants attempting to enter the UK illegally are boarding vehicles not only further inland in France and in other countries but also much further upstream on transport operators' routes. Targeted border controls is one tool being used to detect illegal migrants but these checks can hinder the free flow of goods by causing serious waiting times for vehicles. Regular communication between shippers and their logistics service providers to discuss any problems experienced and to consider vehicle security² and other possible solutions such as re-routeing, changing schedules and double-manning is recommended. The following links may help.

- The Home Office official Code of Practice explaining the steps to be taken by companies to secure their vehicles against unauthorised entry and instructions for drivers to follow can be found at:

www.gov.uk/government/publications/civil-penalty-code-of-practice-prevention-of-clandestine-entrants

² A most useful guide to using the latest technology to improve vehicle security against migrants/criminals in general may be found at www.maplefleetservices.co.uk/clandestine-prevention-security-guide-1-1

Shippers should be aware that the Home Office has introduced an accreditation scheme for European hauliers that have taken extra steps to have their security processes reviewed

by officials in the hope that migrants seeking to board their vehicles will be unable to do so or are more likely to be detected and detained by police.

- A list of European road haulage companies that are members of the Home Office accreditation scheme to reduce the risk of illegal migrants hiding in their vehicles can be found at:

www.gov.uk/government/publications/civil-penalty-accreditation-scheme-accredited-haulage-companies

For logistics companies wishing to apply to join the accreditation scheme, details of the scheme and application form may be found at the following websites.

- Border Force Accreditation Scheme Guide

https://system.newzapp.co.uk/editsite/customers/300/nz-docs/Border_Force_Accreditation_Scheme_Guide_2015.pdf?utm_source=NewZapp&utm_medium=email&utm_campaign=Info_20for_20Hauliers_20Re_20Illegal_20Immigrants

- Border Force Accreditation Scheme Application Form

https://system.newzapp.co.uk/editsite/customers/300/nz-docs/Border_Force_Accreditation_Scheme_Application_Form_2015.pdf?utm_source=NewZapp&utm_medium=email&utm_campaign=Info_20for_20Hauliers_20Re_20Illegal_20Immigrants

- How road transport companies can develop an effective system to secure their vehicles and stop people using them to enter the UK illegally, and to avoid being fined at:

www.gov.uk/guidance/secure-your-vehicle-to-help-stop-illegal-immigration

MEMO

Shippers could find the list of accredited companies helpful when choosing a supply chain partner.

- Guidance for drivers at:

www.gov.uk/government/publications/vehicle-security-checklist

MEMO

Shippers should encourage their haulier contractors to join the Home Office Accreditation Scheme which will also provide feedback on their existing security systems. More details may be obtained by following the weblinks on page 17.

It is recommended that shippers should familiarise themselves with the Home Office guidance in order that they can have helpful discussions with their logistics partners to minimise the likelihood of disruption to their supply chains caused by the activities of stowaways around their vehicles. FTA is working with the European Commission on guidelines and on a handbook for transport operators on the prevention of migrant smuggling.

The civil penalty system

To encourage fleet operators to prevent clandestines from boarding their UK-bound vehicles, the Government introduced a civil penalty system in 2000. The Home Office issued a consultation in early 2016 in order to obtain industry views on the system, its suitability for current conditions, transparency around the levels of penalties and how fairness and improvements for all concerned might be implemented.

The referendum result in June 2016 voting for the UK to leave the EU, together with preparation for clearing of the 'Jungle' migrant camp at Calais during October, has meant that officials' focus has been diverted elsewhere and, to date, no changes to the existing civil penalty system have been announced nor implemented. So the system introduced in 2000, as amended, still remains in place at present (March 2017) and provides for:

- separate penalties for the driver and operator (haulier or own account)
- a variable penalty that has a maximum level of £2,000 per stowaway. The intention being that the actual amount imposed should reflect the respective degrees of negligence by the driver, operator and/or hirer

Statutory defences remain in place and there is no liability if it can be shown that a driver:

- did not know and had no reasonable grounds for suspecting that a clandestine entrant was, or might be, concealed on board their vehicle
- operated an effective system in relation to the vehicle to prevent the carriage of clandestine entrants
- on the occasion concerned the person or persons responsible for operating that system did so properly

Shippers should note that it may not be advisable to contract with the smallest haulage contractors for handling their cross-Channel freight movements: if clandestines are found on board a sole proprietor's vehicle and the owner/driver cannot pay the fine, liability will include the other parties connected with the transport.

For details of a vehicle security checklist approved by the UK Border Force see **Appendix 3** (page 86).

If soft-sided vehicles such as curtainsiders are being used for the transport, drivers should check the security cord for evidence of tampering, in particular for signs that it has been cut and re-joined. Seals and padlocks should be checked closely to ensure they have not been cut or broken and repaired. If a padlock is difficult to open or close this may suggest it has been tampered with. When travelling through Calais, Coquelles or Dunkerque, the final check should be carried out before entering the UK Control Zone. If using another port the final check should take place immediately before boarding the ferry.

Where clandestines are found either at UK ports upon arrival or at UK Customs posts set up abroad and there is no automatic defence, then the level of penalty is decided by Border Force officials using a publication *The Level of Penalty – Code of Practice* (see link on page 16) as a guideline.

MEMO

In the event that a stowaway-related fine is imposed, the shipper may be required to pay it if the haulier turns out to be a 'man of straw'.



Source: UKBF



Source: Don Armour

Whilst drivers and operators are advised always take advantage of any pre-embarkation checks available, whether these are CO₂ or by any other type of equipment, and where possible to obtain written confirmation of such a check, these do not in themselves provide total protection against penalties. Officials are primarily interested to confirm that logistics service providers are operating their own security system based on the code of practice. The paperwork supporting such systems should include a driver's vehicle checklist and this should be retained in the same way as tachograph or maintenance records.

Parking and theft

Why shippers need to know about this

Vehicle and load theft is a major problem across all European countries. Shippers and their supply chain partners should always bear in mind the underlying risk and try whenever possible to minimise the opportunities for theft of goods in transit.



Shippers should always discuss theft prevention measures with their haulage partners and seek to establish if their carriers have a company theft prevention policy, as well as checking that their own is fit for purpose. Theft prevention policies should cover such aspects as 'goods in the warehouse', 'in the yard' and 'goods on the road'.

Shippers should note that careful recruitment is vital. Collusion between existing staff and new employees is a major source of theft according to UK police. Questions to consider asking at interview include: Why does he/she want the job? What makes it attractive? Are friends or family already working here? Does this applicant have any court cases pending? Why is there a gap in career history? Remember that anything from three months upwards may indicate a prison sentence.

At busy times of the year drivers may be put on additional routes, warehouse employees roped in as temporary drivers and agency staff engaged. All these situations can create weaknesses in a company's security procedures and staff in traffic offices need to keep extra alert for anything unusual, in particular involving the use of mobile phones and social media to obtain details of freight movements.

There are many measures which contractors can put in place including the use of secure lorry parks, parking in clients' premises, varying the route taken, use of two drivers, use of unlivelled vehicles, travelling in convoy and use of telematics.

A shippers' security checklist can be found in **Appendix 4** (page 88).

FTA's Member Advice centre (tel: 0370 60 50 000*) has details of approved lorry parking sites in most European countries and can make these available to FTA/GSF international members on request. FTA can also put members in touch with bilingual transport lawyers in most EU member states if required.

Route planning

Why shippers need to know about this

It is important to have an awareness of how long goods will take to arrive at their destination, as this may affect which consignments are put together as groupage or sent independently via express services.



Effective route planning of international journeys requires a good knowledge of road conditions over the proposed routes, together with information on constraining factors such as bridge heights or weight limits. Shippers may wish to discuss the various options available with their logistics service contractors to ascertain the extent of toll road use or the possibility of temporary lorry bans due to weekends, public holidays or religious festivals. Because of all these factors the route that

•
MEMO

Shippers should discuss this with their carriers to reassure themselves that their supply chains are as secure as possible.

 **MEMO**

Check with two or three suppliers to see which company offers the package which is right for you. Most road transport companies are SMEs and only specialise in deliveries to a limited number of countries or of specific cargo types.

appears the shortest on a map may not be the quickest in practice. And low emission zones in many European towns and cities may limit the choice of 'acceptable' vehicles.

Unexpected congestion and bad weather are only two of the many circumstances that can cause a journey plan to go badly wrong. Waiting at borders (generally, but not always, only at the external borders of the EU) not only causes major human suffering for drivers without access to even basic facilities but also costs millions of pounds per year because of expensive commercial vehicles idling in queues (FTA estimate: a minimum of £60 per vehicle per hour) and freight not moving, disrupting supply chains and adding to hauliers' costs which will be subsequently passed on to shippers. Logistics service providers should be asked if there are likely to be any problematic border crossings en route and about any possible diversions.

As a guide to how long it might normally be expected for a 40 tonne articulated vehicle to travel to certain continental destinations see **Appendix 3** (page 87).

Council Regulation (EC) No 2679/98, (sometimes referred to as the Strawberry Regulation) deals with the prevention of obstacles to the free movement of goods within the EU. Under the regulation, member states are obliged to submit information to the European Commission if free movement is threatened or to take any necessary and proportionate measures to mitigate the situation.

This is another regulation which the Commission and logistics/transport operators do not believe is working as it should and is in need of revision. Since it was first drafted intelligent transport systems and on-board communications have transformed fleet operations and developments such as these need to be taken into account for the regulation to work effectively. Unobstructed movement of goods is hugely important for shippers' supply chains and the good news is that the Commission has agreed to undertake a formal review of the Strawberry Regulation alongside industry stakeholders during 2017.

Combined transport

Combined transport is the use of more than one method of transport to move goods from point of origin to destination, without intermediate transhipment. In other words, the goods remain in the same cargo transport unit throughout which transfers from mode to mode. Although there have been many developments of multi-modal techniques involving road/air transport, road/barge transport and road/sea transport, 'combined transport' has become the accepted term for road/rail transport.

MEMO

The shipper's interest in this topic is that if the conditions are met, then the initial or final road leg does not fall under the definition or restrictions of cabotage³ and therefore a logistics contractor would be able to provide a more flexible and efficient service to the customer.

Combined transport operations involving the use of rail and road transport equipment whereby the road vehicle is carried on a rail wagon for part of its journey, is known as 'piggyback' transport. Swap body and container services are also available. The essential feature is that the road vehicle trailer/semi-trailer is loaded on to the rail wagon on its own wheels, assisted by a ramp; or is lifted on or off in much the same way as a container.

The conditions under which a multi-modal transport operation can be considered as combined transport are laid down in Directive 92/106. The road element of the transport journey should only be of limited distance and the sea or rail route more substantial. The directive provides that for a road transport operation to be considered as the initial or final leg of a combined transport operation, the maritime section needs to exceed 100km and the distance between the port where the trailer is collected and the final destination of the goods by road must not exceed 150km.

Roll-on/roll-off services

This system involves complete vehicles being conveyed by rail on low platform flat rail wagons. It is a driver accompanied operation with drivers travelling in a passenger vehicle attached to the train, and for this reason tends to be favoured for shorter journeys. The Eurotunnel service under the English Channel is an example of this type of operation. Such

³ Cabotage: more information on page 39.



Source: UIRR

services are gradually becoming more widely available on the continent, particularly on trans-Alpine routes.

The lack of combined transport services in the UK may be due to a number of factors, not least of which is the restricted UK rail loading gauge on most of the network which limits flexibility and means that specially designed wagons have had to be developed to enable conventional swap bodies to be safely carried. The opening of the Channel Tunnel has provided shippers with the opportunity for direct international swap body and ISO container services between UK and mainland Europe, although for a number of reasons, not the least of which is track access cost, freight services remain significantly under-developed.

The International Union of Combined Road–Rail Transport Companies (UIRR) represents the interests of the major combined transport providers in Europe. Shippers will find more details of the combined and ro-ro services available to them at www.uirr.com/en/our-members



Source: Don Armour

Financial issues

Why shippers need to know about this

Shippers need to know how the cost of delivering their goods around Europe is calculated. Some elements are outside the control of their logistics service provider, but not all. This next section considers the issues.



Costing

All international journeys should be properly analysed to ensure that realistic distribution costs are built into the selling prices of products and services. Expect service contractors to include clauses permitting them to pass on to shippers additional costs incurred outside of their control, such as increases in fuel, ferry, road tolls and taxation resulting from changes in Government legislation. Shippers must be pragmatic and should negotiate a fair rate with their supply chain partners which ensures that the contract can be properly resourced, as well as providing the parties with an adequate return on capital employed. Own account operators/shippers should compare the costs of running their own vehicle fleets with rates that can be obtained in the haulage market; although the rate itself may not be the only consideration to be taken into account.

FTA offers to all members a Logistics Buyer's Information Service (LBIS), and whilst this deals with domestic transport, the types of costs described should also hold good for international operations. Shippers should note that the following factors may need to be taken into account.

- Higher wages paid to international drivers
- Higher subsistence rates paid to international drivers
- Ferry costs
- CMR insurance

- Goods in transit insurance including ferry risks
- Customs clearance charges (for journeys going beyond the EU)
- Documentation costs where applicable (TIR, Community Transit, etc)
- Taxation including city centre taxes, bridge/tunnel tolls and motorway fees
- Green Card and driver repatriation insurance
- Extra or reduced costs relating to differing exchange rates

Taxation and road user charges

In all countries a tax is charged on vehicles for use of the transport infrastructure, but in many countries bilateral agreements allow for mutual exemption. For example, there is no Dutch excise tax payable by a UK vehicle on a journey through the Netherlands, and similarly an Italian vehicle coming to the UK is not required to pay excise duty.

However, in many European countries national legislation does allow a member state to impose an 'access' or 'road user' toll. Shippers should note that with the exception of Denmark, the Netherlands, Luxembourg and Sweden, where a common level of uniform 'Eurovignette' charge has been introduced, most EU member states have now put in place their own road user or toll charging schemes.

This practice has resulted in wide variations in the basis of charging, either by time or distance on some or all roads; and by a host of other measures including the vehicle's Euro emissions category, gross weight, time of journey and route to be taken. In some member states tolls are payable by goods vehicles exceeding 7.5 tonnes and in others 12 tonnes and apply to vehicles running empty as well as those carrying freight. In summary, it can be time-consuming and an inexact science for shippers to obtain accurate details of the cost of tolls; however, guidance is available from national operating companies across Europe which include the following.

Austria	www.asfinag.at
Belgium	www.viapass.be
Czech Republic	www.premid.cz
France	TIS-PL system. Service is available from a number of well-known agents including DKV (www.dkv-euroservice.com) and Telepass (www.telepass.eu)
Germany	www.toll-collect.de
Hungary	E TOLL system managed by NTPS www.toll-charge.hu
Italy	www.autostrade.it
Poland	www.viatoll.pl

Shippers should bear in mind that tunnel tolls are likely also to add significant cost to European road freight distribution through the Alps (see www.tunnelmb.com); journeys through other environmentally sensitive regions as well as into city centres will also add to their costs.

Due to the multiplicity of on-board units and systems that are currently in place across the EU, the European Commission is expected to undertake a review of the mechanisms used by different member states for commercial vehicles using their road networks in international road transport during 2017. FTA hopes that sufficient evidence will be presented by all interested parties to the Commission to demonstrate the need for new legislation to move towards a single on-board unit, interoperable in all member states that have road charging.

For more details and examples of road user charging see **Appendix 5** on page 90.

Insurance

Why shippers need to know about this

Shippers should discuss in detail with their logistics service contractor which of them is going to be responsible for what part of the risk in any given contract. Studies carried out by the International Road Transport Union (IRU) in 2009/10 have concluded that duplicate cover is often arranged unintentionally, and in this way extra cost may be added unnecessarily to a quotation for transport services.



Shippers leaving responsibility for insurance matters to their sub-contractors must ensure that the latter have obtained comprehensive goods in transit cover for all risks, including those arising from the carriage of the vehicle on ro/ro ferries or via the Channel Tunnel. Hire and reward operators must carry under the terms of the CMR Convention (except for movements from the UK to Ireland). Whilst there is no legal requirement for them to insure against their CMR risks, they are advised to do so since claims in respect of lost or damaged goods can be substantial. Shippers would be wise to insist that their contractors hold full CMR insurance cover and should seek evidence of it. For more details of the CMR Convention see page 45.

Traditional insurance cover has been put to the test in relatively recent times by the disruption caused to supply chains by the Icelandic volcanic ash cloud. Generally, physical damage to the insured's cargo has been necessary to generate a claim, but now policies including cover for non-physical damage are being requested more frequently. Shippers using logistics operators offering services into Russia and states of the former Soviet Union should enquire if they have considered issues beyond just claims for loss or damage to cargo: insurance cover for financial losses through errors and omissions, as well as third party liabilities, and for fines and duties imposed by state authorities should be in place, for the protection of the shipper.

Shippers may wish to consider bolstering their supply chain resilience by undertaking a supply chain risk assessment and by the use of innovative insurance products.

All insurance policies must include cover for use of the vehicle(s) in other member states of the EU. This cover will, however, be only the most basic cover required by law in the countries visited even where the policy provides fully comprehensive cover whilst the vehicle is in its home state. Shippers are therefore strongly advised to discuss their requirements with insurers or brokers to ensure levels of cover are as expected for all the different modes of transport to be used. Check that contractors' cover includes a Green Card or its equivalent as well as for the cross-Channel leg of the journey.

In some EU countries, insurance policies require a 'co-insurance' premium to be paid which may be as high as 20 per cent of the value of the freight. Shippers should enquire if this condition or any other non-standard elements are included in the cover prepared for the transport.

Within the EU, border checks on Green Cards have been abolished but evidence of insurance should still be carried. Nevertheless, FTA advises that international vehicle operators continue arranging Green Card cover for four very good reasons.

- It is the most easily recognisable proof of insurance for production to the authorities after an accident
- It will still be required for journeys outside the EU
- It bears the names, addresses and telephone numbers of insurance organisations whose help may be sought in the event of an accident
- All countries retain the right to ask for production of evidence of third party insurance and may exercise this at their discretion

For goods travelling overland to the Middle East and North Africa, UK insurers do not generally provide vehicle cover

MEMO

Shippers seeking advice on insurance matters should ring the FTA Member Service Centre on 03717 11 22 22* in the first instance.

and arrangements have to be made locally usually by buying insurance at frontiers. This cover is normally for third party only with limited liability. Shippers are advised to check with their insurers/brokers on the territorial limits of their policies and the goods cover for each country.

Consignor liability

Why shippers need to know about this

Business works in an increasingly litigious world. Shippers may no longer be able to walk away from accidents which have taken place in a foreign country, caused in connection with their freight. They should take steps to ensure their liabilities are minimised.



MEMO

Shippers should satisfy themselves that training is available for employees packing freight.

Under current UK health and safety at work regulations, employers have a legal and moral obligation to take reasonable and practicable steps to limit the injury risks to workers in supply chains and the general public posed by carried cargo. To comply and minimise the likelihood of future litigation in the event of an accident, shippers must:

- avoid overloading. Ensure that maximum weight regulations with regard to road vehicles, container type or rail transportation will not be infringed in any of the countries through which the consignment will pass
- submit accurate documentation, particularly in respect of weight, with consignments
- ensure cargo is as evenly distributed as possible throughout the loadspace of the vehicle or container
- ensure all items are packed and secured in a manner adequate for the journey about to be undertaken. It should be borne in mind that goods travelling by sea will be subject to more complex and extreme forces than those remaining on a road vehicle throughout, and require additional restraint

Cargo restraint risk assessment

The method to be used to restrain goods should be chosen based on the type of cargo to be carried. The risks associated with particular items will depend on several aspects including:

- size
- mass
- shape
- number of items/integrity of the cargo (if packaged together)
- hazardous/fragile/perishable goods

Based on consideration of such aspects, it should be possible to decide on the best means of restraint for each cargo type.

Container weighing and the implications for road transport

Why shippers need to know about this

Following global concerns over vessel safety, changes made to the SOLAS Regulation (see text) require the shipper of containerised cargoes to provide documentation confirming the gross weight of a container prior to loading it on board a ship; otherwise it will be left on the quayside.



The requirement to verify the gross mass of a loaded container became legally binding on 1 July 2016, as a measure to improve safety at sea. The requirement is implemented through the SOLAS Convention (International Convention for the Safety of Life at Sea) and responsibility for providing the verified gross mass lies with the shipper. The shipper must make a formal declaration confirming the loaded container's weight to the shipping line either electronically, via a forwarder or direct to the port. This is important for shippers to take note because a container packed with cargo should not be loaded on to a ship to which the SOLAS regulations apply (almost all container ships) unless its actual weight has been verified and communicated to the line or terminal operator in advance of vessel loading.

These rules do not apply to container movements in relation to ro-ro vessels engaged in short international voyages, such as from the UK to France. However, professional shippers are expected to weigh their loaded containers, or have their haulier, forwarder or agent provide the necessary weight information to/for them as though the SOLAS rules do in fact apply, to minimise the risk of possible litigation following an accident involving their freight.

Additional information can be found on the International Maritime Organization website, www.imo.org/en/MediaCentre/HotTopics/container/Pages/default.aspx



Source: Don Armour

Driver issues

Why shippers need to know about this

As it is the driver who is in charge of the goods until they safely reach their destination it is important that shippers have some appreciation of the environment that he/she works in and the regulations that constrain them. Sometimes there are good road safety reasons why a driver has to stop work, even if they are only 50km from their destination.



MEMO

Shippers should enquire as to any training their contractors' drivers receive and what factors are risk assessed before a trip abroad takes place.

Many problems that arise in the course of a journey should be able to be dealt with by drivers on the spot, but there needs to be thorough preparation and good company support back home. Drivers should avoid getting involved with illegal contraband, illegal migrants or drugs: penalties are high and modern devices available to Customs and border security officers are very likely to reveal details of any packages being illicitly carried. Shippers should satisfy themselves that their logistics contractors' drivers are given periodic training on legislative changes that affect them and that any concerns they may have are addressed by their managers.

For an indication of the detailed requirements to be met by fleet operators in a member state, see the Czech Republic specimen example on page 68.



Source: Don Armour

Drivers' hours rules (and record keeping)

Why shippers need to know about this

Shippers may consider themselves fortunate if they do not have to administer their own in-house vehicles and drivers, for although the rules governing road transport operations across the member states are based on the same European Commission regulations it is only too easy for a driver, particularly if inexperienced, to innocently fall foul of member state national rules which may cost a haulier thousands of Euros per annum. And member states may unilaterally introduce changes for their own protectionist reasons.



Top tips

FTA suggests shippers should ensure that their logistics service providers routinely check the following.

- 1 Ensure that the vehicle documentation – operator licence disc, certified copy of the Community Authorisation, roadworthiness (MoT) certificate, vehicle registration and insurance documents – are current and on board the vehicle, together with the freight paperwork
- 2 Confirm that the driver has on board a valid passport, record of driving activity for the previous 28 days and, if appropriate, relevant permits for all non-EU countries to be visited or transited
- 3 At the office, keep a complete set of duplicate documents, or details of them, for the vehicle and driver in case the originals are lost or stolen
- 4 Know the latest requirements of countries being visited in respect of weight and vehicle dimensions, speed, driving restrictions and Customs requirements
- 5 Provide drivers with sufficient money, or other means, to cover fuel bills, motorway tolls, fines, telephone calls and incidental expenses
- 6 Set analogue tachographs on UK trucks to UK time and ensure that drivers carry with them the necessary print rolls or charts in case of roadside checks
- 7 Ensure drivers are given instructions on how to deal with the problem of migrants in northern France and vehicle theft/security issues generally
- 8 Check that drivers possess a high visibility jacket and carry a warning triangle in the cab. A selection of useful vehicle spares should also be carried including light bulbs and snow chains in winter
- 9 Obtain appropriate documentation, fire extinguisher(s) and warning signs for dangerous cargoes
- 10 Retain a copy of the driver's itinerary in the office

There are two sets of rules, known as the AETR rules and the EU rules, which are broadly similar. Journeys undertaken exclusively in the EU, or between an EU country and Switzerland, or a country that is party to the Agreement on the European Economic Area (EEA) are subject the EU rules.

The EU hours rules apply when the vehicle/combination exceeds 3.5 tonnes gross weight. There is a list of exemptions which apply automatically to both national and international journeys but these are specialist in nature and unlikely to affect shippers.

Recent changes to the rules

Member states may unilaterally introduce changes in interpretation of the drivers' hours rules, often for political and mainly protectionist motives which can result in disruption to supply chains and add to costs for the vehicle operator and likely the shipper as well.

In 2014 the **Belgian** authorities introduced a new restriction on drivers spending a full 45 hour weekly rest period in the cab of the lorry, on the basis of a new interpretation of Regulation 561/2006 Article 8, which had previously been subject to a light-touch approach. Just months later the same view on weekend rest periods was adopted in France with potential sanctions of up to €30,000 and possible custody for non-compliance.

However, the **French** authorities soon went one step further and published new guidance on minimum wages for the road transport sector, implementing the so called 'Loi Macron', which regulates the activities of foreign road transporters performing activities in France. Briefly, the law states that as of 1 July 2016 foreign-based drivers must receive the French minimum wage and foreign operators must designate a representative in France. FTA had hoped that before proceeding with the implementation of 'Loi Macron', the French authorities would have waited for the outcome of the European Commission's investigation in the **German** MiLoG case, which concerns payment of the minimum wage to

foreign drivers working in Germany. Other member states are considering adoption of the minimum wage rule.

Shippers using express courier services as part of their distribution network should note that a number of member states led by France and Germany are becoming increasingly uncomfortable with the activities of <3.5 tonne gvw operators. Light vans fall through the regulatory net as they are not 'lorries' and therefore do not have to respect the detailed safety and roadworthiness rules governing larger/heavier vehicles in the same way. These member states also see their activities as threatening domestic markets, not just international freight movements. The Commission is aware and is expected to review this on-going situation.

MEMO

The detail of driving hours and record keeping may be totally unexciting for those who have neither drivers nor vehicles to manage. But a flexible approach by shippers as to what needs to be delivered where and when could save money – shippers should discuss their delivery needs with their logistics service provider, ensuring restrictions of the drivers' hours rules come into the discussion.

Tachographs

Goods vehicles over 3.5 tonnes and large passenger vehicles used under the EU drivers' hours rules must be fitted with an EU type approved tachograph. Drivers must use the tachograph to record their activities from the moment they take over the vehicle, and make a record of the whole of their daily working period – including any duty time that may have taken place before they had access to the vehicle and its recording equipment, together with any other periods of shift taken away from the vehicle.

For shippers, the existence of tachograph records means that there will always be an audit trail if it becomes necessary to retrace at a later date who was transporting a particular consignment on a given day. Such information can be helpful for directing insurance claims when trying to ascertain precisely where damage to goods might have taken place.

Key obligations for transport undertakings

Transport companies have key legal responsibilities and liabilities for their drivers' compliance with the rules. They must:

- properly instruct their drivers
- properly organise drivers' work to comply with the rules
- not make payments that encourage the rules to be broken
- make regular checks to ensure the rules are met

Under EU legislation, a transport company can be held automatically liable if one of its drivers commits a drivers' hours offence.

Key obligations for shippers

Consignors, freight forwarders and shippers offering freight for distribution must ensure that any contractually agreed transport schedules respect the rules on drivers' hours.

Just how practicable it may be for those not in direct control of transport operations to comply with this requirement remains a matter of debate; the European Commission suggests that including a reference to 'ensuring compliance with the EU rules' in the contract with the transport provider would suffice.

Health care when travelling abroad

Why shippers need to know about this

Shippers should find out if their contractors have insurance policies which cover drivers not just simply at work but also during rest periods, ferry crossings and include repatriation. The more comprehensive their cover, the better the resilience of the company might be to recover from interruptions to a shipper's supply chain.



The level of emergency medical cover available to UK residents in other countries varies greatly. Across the EU and including Switzerland reciprocal health care arrangements exist which provide a basic level of cover.

To obtain emergency treatment drivers must hold a European Health Insurance Card (EHIC). Details of the EHIC card can be found on the NHS website at www.nhs.uk/EHIC which also provides links to a wide range of other information for employees travelling abroad. For more on driver issues see **Appendix 6** (see page 92).

Vehicle issues

Why shippers need to know about this

Shippers should be aware of the issues surrounding vehicles in order to be able to have constructive discussions with their supply chain partners when things go wrong, or when looking at future ways and means of working. Because vehicles are fundamentally important to European road freight activities it is suggested that readers refer to the specimen country section on the Czech Republic for examples of relevant issues (page 68).



Breakdowns and recovery services

A competent logistics service provider will ensure that their vehicles are in first class condition before sending them on international journeys. But breakdowns can always occur and contingency plans should be in place to deal with them. Relying on the emergency transfer of funds to pay for breakdown repairs can incur significant delays to freight.

- **Manufacturers** – will normally produce a handbook of accredited agents who should be able to assist. Some may also be prepared to guarantee payment to overseas repairers on behalf of vehicle operators
- **Logistics providers** – may consider setting up accounts with independent European agents so that the necessary finance can be quickly arranged and repairs carried out with the minimum of delay. Additionally, the company's bank may be able to assist with rapid transfer of funds to a foreign bank, particularly in Western Europe
- **FTA can help** – in conjunction with the AA, a comprehensive Europe-wide vehicle recovery service is available to all members. Further information is available from FTA Member Service Centre on 03717 11 22 22*

Cabotage

Cabotage is the carriage of goods (or passengers) from one place in a country to another place in the same country by a vehicle which is not registered in that country. At one time it was a totally illegal activity, but member states joining the European Union have, over time and with a number of restrictions, been able to join in cabotage transport. Although legal under EU accession law, the expansion of cabotage is regarded in some quarters as being increasingly untenable due to the present difficult economic situation in parts of Europe and a number of countries including France, the Netherlands, Denmark, Sweden and Norway have joined forces to lobby against continuing liberalisation. Industry groups are also calling for greater EU harmonisation on employment and taxation before further relaxations in the cabotage rules are permitted.

For shippers, cabotage is a useful resource to have at their disposal as it potentially enables a greater number of vehicle operators to participate in their existing supply chains and offers the possibility of easily creating new ones.

MEMO

Subject to certain conditions, using EU-registered vehicles for both UK domestic as well as international collections and deliveries is usually legal.

Their use could facilitate a company's delivery requirements.

Weights and dimensions of vehicles

Why shippers need to know about this

Primarily for reasons of road safety, shippers need to be aware of the payloads available to them in their contractors' vehicles. Although the over-arching legislation is laid down in EU rules, member states may enjoy some flexibility to introduce their own maximum weights and dimensions if agreed by the European Commission.



A succession of EC legislation as amended has introduced standard maximum weights and dimensions for vehicles engaged in international traffic throughout the member states. Directive 2015/719 sets the rules on maximum vehicle weights and dimensions for road vehicles in Europe, including HGVs engaged in international traffic. The new directive, which amends the familiar Directive 96/53, grants derogations



Source: Don Armour

on maximum length to make goods vehicles greener by improving their aerodynamic performance through the design of more rounded driver cabs and by equipping vehicles with aerodynamic flaps at the back of the semi-trailer.

Experts predict these small improvements could cut fuel consumption and emissions by up to 10 per cent, with no detriment to a vehicle's loading capacity. They could save up to €5,000 per year in fuel costs for a typical long-distance truck covering a distance of 100,000km across Europe, factors which might be important for shippers wishing to reduce their carbon footprint and transport charges. As well as better aerodynamics, the Commission's proposals aim to facilitate the introduction of easier intermodal transport, by cutting red tape and making it easier to move 45 foot containers, the most used long-distance containers interchanging between ship, road and rail.

Concerning the issue of cross-border road freight with vehicles longer, heavier or higher (LHV) than the limits set in the initial directive, debates leading up to the adoption of Directive 2015/719 ended with the conclusion that the rules of Directive 96/53/ should not be modified; thus retaining the 40 tonne gross weight limit on movements between member states.

A number of member states are challenging the European Commission over the legality of operating LHV's of up to 25.25m on international journeys. Danish operators are moving extra-long vehicles on a trial basis in conjunction with Germany; meanwhile the Dutch authorities have decided to permit the use of LHV's without restriction to drive to Belgium or Germany. Neither the Belgian nor German authorities have agreed as yet to this manner of cross-border transport with the Netherlands but the Dutch are optimistic that an agreement will be concluded with Belgium during this year.

Shippers moving bulky rather than heavy goods could well benefit from the availability of 25.25m vehicles on certain routes as they become more readily available.

For information on the main provisions of weights and dimensions in Europe see **Appendix 7** (page 95). Details by member state are available from the Member Advice Centre.

How longer, heavier vehicles work

European transport trade associations representing the interests of logistics companies, freight forwarders and shippers have been active in recent years investigating the extended use within the European Community of longer and potentially heavier road freight vehicle combinations (LHV's or Ecocombi). Vehicles of up to 25.25m in length and maximum weight of 60 tonnes are proposed, which by virtue of their ability to drop and swap tractor unit, rigid vehicle or semi-trailer/trailer, would result in significant economic and environmental benefits for transport operators. As illustrated on page 42, allowing longer vehicles would potentially reduce the number of vehicles required to move the same volume of goods in certain supply chains.

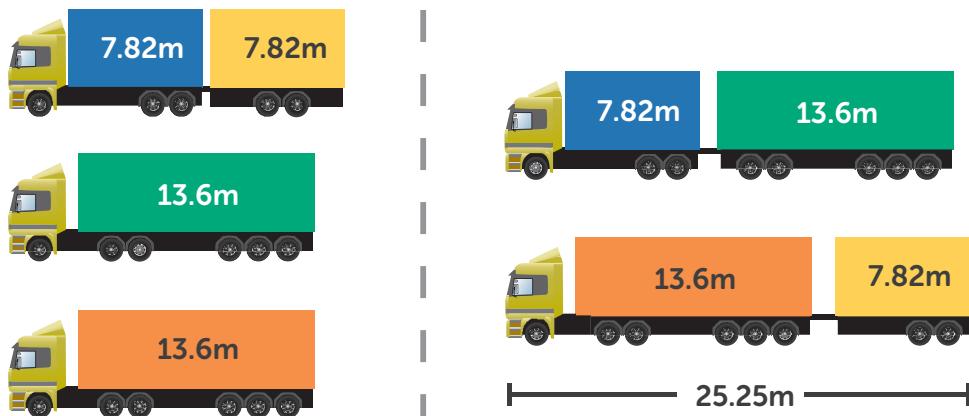
If the European Modular System (EMS) was to be adopted, in which the standard modules used on vehicles are the same size as those used in maritime and rail freight, the possibilities for loading units from trucks to other modes where this represents the optimal and most reliable logistics solution, would be greatly increased.

MEMO

The use of LHV's would help transport operators and shippers find new ways to optimise their road transport deliveries whilst promoting opportunities for intermodal logistics operations. Shippers should enquire of their logistics service contractors if the use of LHV's or modular units is possible, or appropriate, for any of their cargo movements.

To thank those shippers and fleet operators who invest in new transport technologies, FTA would like to see the European Commission/national governments grant in return the use of 'green corridors' (fast-track lanes) at border crossings, exemption from weekend driving prohibitions and reductions in vehicle excise duties.

Three short would become two long, if the EU encouraged the example set by Sweden and Finland



Weekend lorry bans

Unlike the UK, many countries in mainland Europe impose restrictions on the driving of certain commercial vehicles on Saturdays and Sundays, commonly those weighing in excess of 7.5 tonnes gross vehicle weight. In order to alleviate traffic congestion, some countries extend these bans on popular summer weekends while others have commercial traffic prohibitions in place on specified roads at certain times.

Driving restrictions are also commonplace on public holidays, which can make scheduled international journeys difficult to arrange. Avoiding Christmas and Easter is easy but it may be necessary to take Orthodox holidays into account as well, for example:

Czech Republic	Liberation Day	8 May
	Day of the Prophets Cyril and Method	5 July
France	Bastille Day	14 July
	Armistice Day	11 Nov

Germany	Whit Monday Reformation Day	(varies) 31 Oct
Hungary	Revolution Day	15 March
Poland	Independence Day	11 Nov
Slovakia	Constitution Day Freedom and Democracy Day	1 Sept 17 Nov

The variations between public holidays and driving restrictions in adjacent countries can present traps for the unwary and leave drivers stranded in border parking areas. This can happen between France/Italy and France/Germany for example.

Details of weekend and night time restrictions are available to FTA members via the international road freight pages on the website or from the Member Advice Centre, tel: 0370 60 50 000*. Public holiday information is published nearer the time in FTA's European Digest, a free of charge bulletin available to International members. Information on restrictions for lorries in a number of countries further afield is also available.

Commercial vehicles in the future

Shippers can expect goods vehicles in the future to emit fewer emissions and to increase their productivity as the European Commission continues working towards its vision of reducing CO₂ emissions of goods vehicles in Europe by 30 per cent by 2030, and by 60 per cent by 2050.

The arrival of heavy goods vehicles with aerodynamic drivers' cabs and rear trailer flaps, described earlier, will be an opportunity for manufacturers to develop new models to meet the global demand for greener and more fuel efficient commercial vehicles. European truck manufacturers are global market leaders and the sector is one of the largest investing in research and development. New technology being developed for trucks, such as driverless vehicles or 'platooning' on motorways, is now technically possible, but cannot be widely

implemented until the world around it is ready. Legislation, insurance, and road infrastructure will all need to be adapted. This exciting future is still a long way off from everyday life!

According to the European Commission, up to one-third of goods vehicles stopped at roadside checks are overloaded, causing damage to highways, compromising road safety and costing taxpayers some €950 million every year. On-board weighing systems for trucks and weigh-in-motion installations on main roads will become more commonplace and allow targeting of overweight vehicles automatically. The Commission says that development of automatic targeting will save the unnecessary stopping of around 75,000 vehicles per year, allowing enforcement officers to focus on the worst offenders and benefitting shippers/manufacturers relying on just-in-time deliveries, as unnecessary stops should be much reduced.

The truck of the future may also travel increasingly beyond Europe. Studies to revive interest in the old Silk Road routes between eastern Europe to Iran, Kazakhstan, Mongolia and China have taken place in recent years and several trial convoys run over 15,000km from east to west. It is true that too much time is lost at border crossings along the route but these and associated issues such as security are being addressed in order to improve the appeal of these routes to adventurous shippers!

Shorter routes being developed currently by the Economic Cooperation Organization based in Tehran include Istanbul–Tehran–Islamabad; and Kyrgyzstan–Tajikistan–Afghanistan–Iran and there are more to follow.

The CMR Convention

Why shippers need to know about this

CMR is a United Nations convention whose full English title is 'The Convention on the Contract for the International Carriage of Goods by Road 1956'. It defines the rights and obligations of the shipper or party forwarding the goods and the carrier. Contrary to common belief CMR has nothing to do with insurance.



MEMO

The importance of CMR to shippers cannot be underestimated: CMR is a major 'need to know'.

In the event of litigation, FTA's Member Advice Centre can put members in touch with national and international legal specialists if required.

With certain minor exceptions (listed below) the CMR Convention applies to any contract for the international carriage of goods by road and, in addition, may be used for national movements if so desired by the parties to a particular contract.

Shippers should note that the convention applies only to hire and reward activities and not to own account operations. If a shipper is despatching goods by a logistics service contractor, the convention will apply where the journey takes place on the territory of at least two different countries, one of which (as a minimum) has to be a contracting party to the convention. Most countries in Europe, the Middle East and North Africa are contracting parties to the convention, so for all practical purposes most movements will be in scope.

The convention does not apply to:

- own account operations
- consignments/mail carried under a postal convention
- funeral consignments
- household removals
- traffic between the UK and the Republic of Ireland

As the UK is a party to the CMR Convention all UK international road journeys that shippers contract out to logistics service

providers are subject to the convention unless specifically exempt. Note that CMR also applies to international road legs of multi-modal contracts of carriage and in certain situations where the vehicle containing the goods is carried over part of the journey by sea, rail, inland waterway or air.

It is important to ensure that a contract of carriage has been concluded and not a contract of freight forwarding, as CMR is not applicable to the latter.

Key points

Subject to a number of limited defences, under the CMR Convention, the carrier is liable for loss of or damage to the goods in between the time of taking over of the goods and the time of delivery, as well as for any delay in delivery.

The terms of the convention are mandatory and their effects cannot be reduced by agreement between the parties. Parties may agree additional conditions provided they do not reduce the effect of the terms of the convention.

CMR applies to the whole of the journey from the initial point of loading until the final destination. It binds all logistics service contractors involved in the carriage of a particular consignment, even though they may only be involved in the UK leg. UK companies involved in the carriage of loads that originate outside the UK, or that carry a load destined to be finally delivered outside the UK, are bound by the CMR Convention and should ensure that they have appropriate insurance cover in force.

In November 2015 a landmark ruling was made by the UK Supreme Court which established that consignors need a jurisdiction clause in their consignment note (=CMR note), as well as within the contract of carriage, if they want to sue a foreign successive road carrier in the English courts.

The law applicable to a contract and the jurisdiction in which disputes are decided often have a significant bearing on the outcome of a case. This applies not only to substantive

issues: whether a liability attaches and, if so, to what extent; but also to procedural matters, which include the methods of commencing proceedings in order to protect any applicable time limitation, the obligations to disclose documents and other evidence, evidential burdens of proof, the timeline of the litigation (including possible appeals), the costs involved and the extent to which the successful party can recover those costs from the unsuccessful party.

In the case of British American Tobacco Denmark A/S and others v Kazemier Transport BV [2015] UKSC 65 the court has clarified the law relating to claims made by consignors against foreign successive road carriers where carriage has been carried out under the CMR Convention. Shippers wanting to ensure that in the event of any claims English jurisdiction applies against the principal carrier and all the foreign sub-contractors it is necessary that both the contract with the carrier and the CMR note refer to the fact that any disputes/claims are to be dealt with by the courts of England and Wales. If the CMR note is silent on this then the sub-contractor carrier will not be bound by the jurisdiction clause contained within the original contract. Furthermore, the sub-contractor must not be a 'branch or agency' of the carrier.

e-CMR

The use of electronic CMR notes has been debated for several years and although the necessary Protocol to the Convention was adopted in 2008, and entered into force in June 2011, only nine countries have signed or ratified it. The UK is not considering its position on this issue at the present time.

Although e-CMR produces benefits such as: a reduction in paperwork, faster administration, increased data accuracy and easier access to data for all concerned, these would seem to be outweighed by: the lack or incompatibility of IT resources across the member states, the fact that the driver still needs to have a paper copy on board (for official stamps if the container/box is opened for inspection) and the lack of on-board computers in the pan-EU vehicle parc; to say nothing of the overall costs of implementation to logistics service

MEMO

It is the practical implications rather than legal implications that are preventing the uptake of e-CMR consignment notes.

Shippers are advised to seek legal advice before adopting this IT process.

providers. However, if a shipper, forwarder and consignee are comfortable using e-CMR in their contracts and all parties agree then they are free to do so.

For additional information on CMR see **Appendix 8** (page 97).

Dangerous goods

Why shippers need to know about this

If the quantity of dangerous goods to be distributed is limited a shipper might consider taking on the necessary administration; but this is a complex area of legislation, with high fines even for unintentional non-compliance in some member states. It is possibly an activity best left to specialist service providers.



In Europe the international carriage of dangerous goods by road is governed by the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR). The purpose of the agreement is to ensure that dangerous goods can travel internationally by road without hindrance, provided that the goods are packed and labelled in accordance with the provisions of the agreement – this is the crucial point that shippers must be aware of. Logistics service contractors must ensure the vehicles used comply with technical requirements set down in the agreement: tanker vehicles, for example, must undergo a specific technical inspection in their country of origin.

It is also important for shippers to note that the provisions of ADR are updated every two years. The latest changes came into effect on 1 January 2017 but there is a transition period until 1 July 2017 during which time both the 2015 and 2017 agreements can be complied with.

Additional information may be found on the UNECE Transport Division website on the following page: www.unece.org/trans/danger/publi/adr/adr_e.html

Transport documentation

Shippers must ensure that a transport document in the language of the forwarding country is made available to

accompany the goods. Where this is not naturally English, French or German, one of these three languages must also be used. The form of this document is not defined within ADR, however the document must contain a description of the goods in conformity with the terms of ADR and include:

- the United Nations (UN) number
- the name of the substance as specified in ADR
- the hazard class, together with any subsidiary hazard
- the packing group, where assigned
- the number and a description of the packages
- the gross mass (also net for explosives) in grams or kilograms
- the name and address of the consignor
- the name and address of the consignee(s)
- any other relevant statements, for example a declaration that the load does not exceed the exemption limits of ADR, or a declaration as required by the terms of any special agreement

This type of information would normally appear on documents such as a CMR note, or for combined transport movements, could appear on a multi-modal dangerous goods note.



MEMO

Warehouse staff, loaders and freight forwarders whose duties include the handling of dangerous goods are required to receive training in the regulations as appropriate to their duties and responsibilities.

Additional requirements

ADR specifies a wide range of conditions affecting every aspect of a transport movement. From a shipper's point of view, care must be taken when loading, unloading and handling goods classified as dangerous: certain goods must not be placed close together, or even on the same vehicle, and quantitative restrictions may apply. Cargo should be effectively restrained and thorough cleaning should be carried out if a vehicle's next load consists of a different product.

Shippers should be aware that, as in other areas of transport law, member states may have their own interpretations of ADR and the knowledge of a local contractor may be helpful.

Maritime requirements

Vehicles carrying dangerous goods which are shipped on ro/ro ferries must comply with the requirements of the International Maritime Dangerous Goods Code (IMDG Code) which has, in a number of areas, more stringent requirements than those of ADR. Shippers are advised to discuss their requirements with shipping lines which will normally have their own particular guidance on what is acceptable. The normal document required to declare a dangerous consignment to a shipping line is the Dangerous Goods Note, supplies of which can be obtained from the FTA Shop at www.shop.fta.co.uk

Dangerous goods – security

Since '9/11', there has been increased concern over the transport of dangerous goods and the possibility of this transport being used in a terrorist attack; now even more so since the 2016 incidents in Nice, Istanbul and Berlin involving the use of HGVs. Shippers need to keep themselves aware of the security requirements, initiatives and regulations relating to dangerous cargo in order to monitor what their contractors should be complying with, and any best practices they should be adopting. As a result of these concerns, the following precautionary measures are recommended.

- Shippers should only offer dangerous goods to logistics contractors that have been appropriately identified
- Ensure that all sites holding dangerous goods are secure
- Check that contractors provide and maintain records of security training for all staff involved in the transport of dangerous goods
- Encourage co-operation between consignors, contractors and consignees and with the appropriate authorities to

exchange threat information, apply appropriate security measures and respond to security incidents

For ‘high consequence’ dangerous goods, there are extra ADR requirements: a ‘security plan’ must be put in place, which will require detailed discussion between shippers and their logistics service contractors. Members should contact the Member Advice Centre for any additional information, tel: 0370 60 50 000.*

More information on dangerous goods transport at **Appendix 9** (page 104).

An overview of supply chain security

Why shippers need to know about this

Although the comments in this chapter are general in nature, this overview is of value to all shippers.



The term 'supply chain security' may be interpreted differently by the various parties in a given supply chain. For the purposes of this section, it is looked at from the point of view of measures to protect the chain from external attack. 'Attack' in this instance could be seen as damage to vital equipment or systems by malicious employees through to possible terrorism.

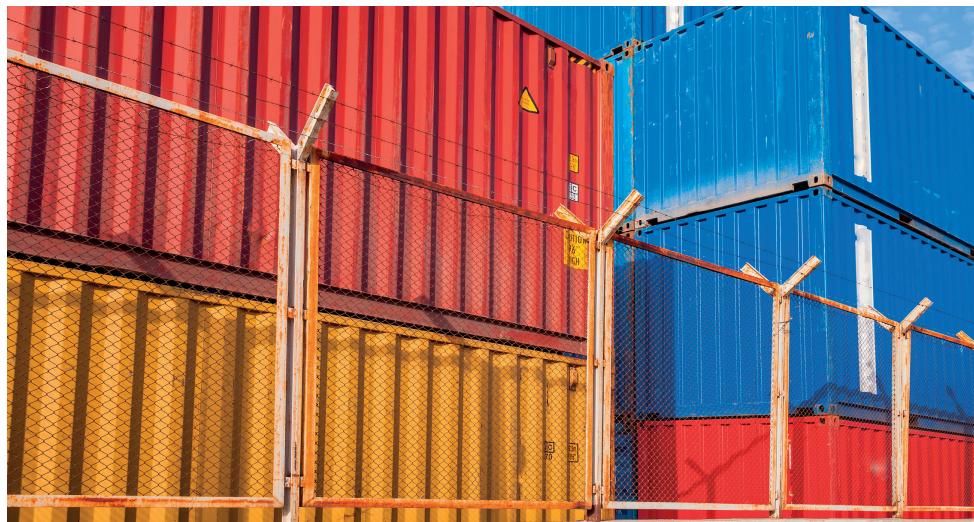
Shippers need to consider potential risks to their supply chains at an early stage to enable appropriate preventative measures to be built in. All businesses should have an understanding of their vulnerability to supply chain disruption, be it major or minor. Similarly they should have plans to deal with, and minimise, the impact of disruption. What plans does the logistics service contractor have in place for dealing with serious bad weather disruption in the Alps, strike action by unions in France or migrant attacks in Nord Pas de Calais? It is important to understand your company's expectations and that of your supply chain partner(s) if, for example:

- there is on-going product loss or damage during transport
- deliveries fail or are regularly late
- vehicles are unavailable due to breakdown
- organised theft or pilferage is on-going and affects stock availability
- there is a loss of vehicle(s) due to theft or accident

- there is a failure of IT systems or of communication links in the chain
- power supplies are lost to offices or warehouses
- offices, warehouses or vehicles become unusable due to fire or flooding

There may be additional considerations concerning product integrity where transit warehouse facilities are shared. It may be necessary to look again at the company's own product range and consider whether goods will be damaged or tainted by odour transfer (from spices for example), or whether generally stable goods such as certain chemicals may become hazardous in the presence of other materials transported on the same vehicle.

With other products, such as fine wines or radioactive goods, you may be well aware of the issues surrounding handling, storage and delivery; but if these matters are to be the responsibility of a supply chain partner then it is vital to establish if they have the specialist knowledge and resources to reach and apply the necessary standards.



Contractual tolerances should be appropriate to the nature of the products involved, both from the point of view of item value and the consequential costs, financial and otherwise, of failure to perform. Logistics service providers should understand that the consequence of failure to deliver, or the delivery of damaged goods, could far exceed the item value if, for example, non-delivery halts production at the receiving factory. For these reasons it is vital that discussion takes place between the shipper and contractor on how to stay in business in the event of a disaster, which may include fire, industrial action or the business failure of a partner organisation.

As far as protection against organised crime is concerned, shippers wishing to avail themselves of the best knowledge and guidance possible are recommended to consider membership of the Transported Asset Protection Association (TAPA) and to visit the website www.tapaeama.com FTA worked alongside TAPA and the Metropolitan Police in a lengthy operation which successfully lowered the incidence of high value cargo theft at London Heathrow Airport.

For suggestions around moving goods by road to a difficult destination, see **Appendix 10** (page 106).

Joint liability of transport intermediaries

The complex and risky nature of transport operations can often lead the various parties in a supply chain including shippers, forwarders, fleet operators and freight agents large and small into court to settle claims for non-payment of transport services, damage to cargo through bad packing/handling, negligence and errors and omissions of all kinds.

For shippers, the key here is to ensure that the wording of instructions to the other parties is as clear and all-encompassing as it needs to be. Whether the brief is understood to be wide ranging or restricted to a specific task, it is important to make sure that this is clearly recorded. Ambiguous drafting just opens the courtroom door wider.

Contract terms are important but it is an overall liability regime that suits all stakeholders that is needed and since the 1970s the European Commission has been wrestling with this problem. In 1999 the Head of DG TREN, Francois Lamoureux said that the need for 'one transport, one document, one liability' still existed. Since then the Commission has been working, on and off, creating an inventory of the various liability arrangements and to identify possible approaches to resolve the differences between them.

Between parties to a contract the allocation of responsibility can be difficult to determine but even if it is undisputed where the incident occurred, the parties may have agreed on different standard contracts that lead to different legal outcomes, so that, again, lack of clarity is the result. Who was the actual carrier rather just the intermediary procuring the transport...?

Now in 2017 this issue has surfaced with an independent study due to be carried out, to develop a roadmap for the establishment of an EU legal framework on the joint liabilities of 'transport intermediaries'. While the Brussels institutions are considering the results later in the year shippers are encouraged to continue taking great care when drafting the detail of their contract documents.

FTA will be keeping its members informed of developments.

Dealing with Customs and international trade issues

Why shippers need to know about this

Just as a company requiring detailed advice on tax planning or some complex legal problem would turn to an accountant or lawyer, so when dealing with Customs issues it can be advisable for shippers to engage experts to ensure that full advantage is taken of any special procedures available and to legally minimise excise duty payments.



The UK Customs Tariff

Shippers are ultimately responsible for classifying the goods which they trade internationally. Even where all documentary work is handled by a Customs agent or freight forwarder, the importer or exporter should ensure that the classification, and the consequent code, applied to their goods is correct since there can be heavy penalties for making false declarations. In legal terms, principals should recognise that they must accept full responsibility for the actions and declarations made by their agents and servants. It therefore follows that the current tariff at www.gov.uk/trade-tariff/sections is an essential source of reference.

For these reasons, international shippers should carefully consider how they manage their Customs affairs, and with their supply chain partners, should seek to identify any procedures available to them which could lead to greater efficiency, improved control over their consignments and cost benefits. Errors made in completion of documentation can be costly as the goods may be seized by Customs, delayed or lost.

In cases where members are unsure of the correct classification for the goods, it is possible to contact the HMRC Tariff Classification Service at classification.

enquiries@hmrc.gsi.gov.uk If a legally Binding Tariff Information (BTI) ruling for the goods is required, application forms can be obtained from the Tariff Classification Service.

A full range of Customs notices is obtainable free of charge from local Customs offices and is accessible on the Customs website: www.hmrc.gov.uk Information is also available from the VAT, Excise and Customs Helpline on tel 0300 200 3700.

Customs and security

Customs in Europe are continuing to introduce changes, particularly regarding the introduction of prior notice computer-based processing for goods entering or leaving the EU. In this area HM Revenue and Customs (HMRC) is a major player with the authorities in Brussels. While HMRC's main purpose is to collect revenue and to ensure that prohibited articles are not brought into the country, it is also there to facilitate UK trade and will assist businesses with information and advice on the procedures available.

Another major responsibility of HMRC, to effectively detect threats to the safety and security of UK citizens, unfortunately frequently conflicts with its role as a promoter of trade facilitation and the smooth passage of goods along supply chains. As Customs' regimes become both more detailed and more sophisticated, there is an increasing overlap between security and Customs, a trend which is likely to continue.

Intra-EU procedures

Since the establishment of the Single Market of the European Union, a consequence has been the reduction in the paperwork necessary to ship goods between the member states. The CMR note is by far the most widely accepted document for moving goods by road and normally a copy will accompany the goods to their destination. Export and import declarations are not required in respect of goods in free circulation being sent to, or received from, other EU member states; while Community/Common Transit declarations are presented to Customs electronically through the European

Commission's 'New Computerised Transit System' (NCTS) which enables goods not in free circulation to move between two points within the Community without being subject to import duties and other charges.

Continuing changes to EU Customs

On 1 May 2016 the Union Customs Code (UCC) officially replaced the longstanding and much amended 1992 Community Customs Code as the new framework legislation in the 28 EU member states. The Code is intended to achieve greater legal certainty for shippers as well as for Customs officials and seeks to simplify the rules and procedures leading to more efficient Customs transactions. The UCC also includes measures to complete the mandatory transition to a paperless/electronic Customs environment and contains many facilitations such as centralised clearance to enhance the value of Authorised Economic Operator (AEO) status to traders importing and exporting goods to and from the UK. The member states have limited authority as to how the new UCC 'acts' might be implemented; the Brussels institutions have the authority as to what the acts require.



Source: Don Armour

Shippers should note that successful adoption of the UCC into their business processes is likely to necessitate changes to company IT depending on what authorisations any individual business has with HMRC and the procedures and processes generally used. FTA understands that under the UCC, HMRC will be taking more interest in the compliance and security record of businesses.

Shippers are therefore strongly recommended to communicate regularly with their forwarders/agents to ensure their IT systems are talking to each other and to Customs as necessary. This will become all the more important as HMRC continues simultaneously with its long-term project to replace its ageing CHIEF data processing hub with a new system called the Customs Declaration Service (CDS), due to go live around October 2017. Other benefits to shippers under the UCC include provisions relating to temporary storage, reduced

guarantee requirements and when goods are released into free circulation.

The following links will take members to further information.

- www.gov.uk/introduction-of-the-union-customs-code-ucc This web page also contains a large amount of detail concerning the planned changes to import, export and storage procedures members will need to be aware of as the various provisions of the UCC are adopted
- Shippers with technical questions relating to the UCC may direct correspondence to: ucc.masp.implementation@hmrc.gsi.gov.uk
- A brief overview of the UCC from the European Commission may be accessed here:

http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/index_en.htm

It has been hugely difficult to advise shippers what the effects of the UCC will be, even more so since the referendum in June 2016 resulted in the 'Brexit' vote to leave the EU. FTA considers the simplest solution would be to make the Union Customs Code the UK Customs Code and then over time adjust it to suit UK businesses, removing contentious areas and making clarifications where necessary.

It is important for shippers to remember that for the time being nothing will change until the two-year 'Article 50' withdrawal procedure is activated by the Government. The preceding paragraphs are written with this in mind, in other words the UK is still a member of the EU and all the current Customs rules and penalties continue to apply. For more details on the Article 50 procedure and the possible effects of Brexit in the Customs environment see **Appendix 11** (page 107). More consideration of other legislative effects of Brexit for shippers follow in the next chapter.

Road transport legislation and Brexit

Why shippers need to know about this

The Brexit vote will have massive consequences for shippers and other FTA members. At the macro level, uncertainty about future trade policies may impact investments across the supply chain and on a smaller scale companies may decide to postpone the building of a new factory or relocate it abroad.



FTA has been working with a range of Government departments, including the Department for Transport and the Department for International Trade, highlighting the risk of new costs, restrictions and bureaucratic requirements being imposed on moving goods in and out of mainland Europe and as a result has identified the following key issues in an 'ABC' list for members.

Shippers wishing to provide comments on any of the following issues are asked to contact Pauline Bastidon (pbastidon@fta.co.uk).

- A **Access to the Single Market:** The term Single Market refers to the EU as one territory, without any internal borders or other regulatory obstacles to the free movement of goods and services. Currently, UK companies can operate across the EU with minimal additional red tape and trade with the EU Single Market in a relatively seamless manner. This could all change post-Brexit, depending on the nature of the arrangements with the EU. What should the UK's future relationship with the EU Single Market look like post-Brexit, to ensure that disruptions to trade and logistics remain minimal?
- B **Border controls:** What contingency plan should be put in place to mitigate the impact of the UK border potentially

being repatriated to Kent, if this is on the agenda again following the French elections in 2017?

- C **Customs tariffs and procedures:** What would the UK's ideal Customs tariffs and trade arrangements post-Brexit look like, including for trade with the EU Single Market, in order to minimise red tape and delays at the Channel ports?
- D **Domestic legislation:** Which EU rules should stay in place following Brexit? Which EU rules should be amended or repealed, provided the UK Government is able to do so? What transitional arrangements should shippers be asking for?
- E **Enforcement of cross-border traffic:** What arrangements need to be put in place to protect and support UK drivers, vehicles and their loads against 'local' enforcement initiatives when abroad, once the right of appeal to the EU is lost? And will any new documentation for the goods, certificates for the trucks or licences for drivers be required?
- F **Fuel duty:** Considering the fact that fuel duty is higher than the EU average in the UK, should cabotage continue to be allowed on UK territory post-Brexit, assuming the UK Government is able to restrict it? Shippers should consider that any restriction to cabotage for EU operators here in the UK would probably lead to a similar restriction of cabotage in mainland Europe for UK operators.
- G **Global markets:** Besides the EU, which countries/regional entities should be prioritised for trade deals? In order to make the most of the trade opportunities offered by Brexit, the UK will need the right kind of transport infrastructure. Which specific investment choices should take priority?
- H **Heathrow:** What account has been taken of the need and justification for a world class international air cargo hub in the south east of England following Brexit? Could there be an increase in the volume of air cargo moved by road to the major European hubs for onward transport by air?

- I **Ireland:** Under what structure and in which forums could the particular arrangements needed for trade between the UK and Ireland, especially across the land border with Northern Ireland and for the transit of Irish traffic through Great Britain, be discussed and agreed? How would the introduction of 'hard Brexit' controls on vehicles crossing the border be avoided?

FTA has learnt through its recent interactions with officials that the Government wants all its departments to review EU rules and identify opportunities for post-Brexit simplification, as part of its 'Better Regulation' agenda. The DfT has advised FTA that many EU rules and international conventions will continue to apply to cross-border freight operations post-Brexit and that future trade arrangements with the EU could limit the UK's room for regulatory manoeuvre. There is not much likelihood of a bonfire of EU legislation. For an overview of the most relevant pieces of EU road transport legislation where changes would occur following Brexit see the table at **Appendix 11**, (page 107).



Source: Don Armour

Brexit, international trade and Customs

Why shippers need to know about this

Changes to Customs arrangements for UK traders, post Brexit, are still very much an unknown quantity. Some of the core topics that are likely to be of concern to shippers or their supply chain partners are considered in the next few pages.



Shippers, Government and civil servants all need to work towards the best possible solutions from now, when Article 50 is signed and afterwards. Members are asked to consider the ABC list on pages 61–63, decide what aspects are important for their business and let FTA staff know how we can best represent your interests. The efficiency of shippers' supply chains could be affected by any or all of the following areas in the Customs environment, but there are no definitive answers yet.

Free circulation of goods

The EU has clearly said there will be no Single Market deal unless the UK concludes an agreement on immigration and the free circulation of people. Under the existing arrangements no Customs borders means improving the speed of delivery not just for intra-EU freight but also for goods transiting the EU for destination in a third country. Transport companies also benefit within this area as a company registered in any member state can pick up freight in any member state without restrictions on where it can be delivered.

Members will be aware that there are a number of model agreements already in place such as those with Turkey, using ATR forms; alternatively, the UK might work on an agreement similar to Switzerland and Norway based on a free trade agreement. A Single Market deal could also mean the UK continues to have access to the Electronic Transit System

(ETS – formerly NTCS) as does Switzerland and other non-EU countries to register and move goods through the EU. It may also be possible to retain access to EMCS and other EU wide computer systems. Depending on the agreement made with the remaining member states VAT would be charged on UK goods arriving into a EU member state and collected on EU goods entering the UK.

If no deal is done and the UK is treated as a third country this would mean paperwork, import duties and taxes (CAP for example). In the UCC the EU has clearly stated that the aim is to move from paper-based systems to electronic systems therefore the UK would have to find a way of accessing the EU systems. And the EU may also re-impose cabotage restrictions as noted earlier.

Harmonised tariff rates and other tariff measures

Whatever the trade agreement eventually put in place with the EU, harmonised tariffs would go and UK traders lose access to TARIC. It would be possible to keep the EU structure of the tariff but equally the UK could adopt the World Customs Organization (WCO) six-digit Harmonised System. The UK could charge Customs duties at different rates or on the basis of weight/quantity which is how most of the Swiss tariff is structured. We would be able to structure measures such as Tariff Suspension, Tariff Quotas and Anti-Dumping duties to benefit UK businesses; maybe considering WTO tariff agreements as well. There are other tariff measures that could be considered, perhaps following Brazil's line of having nine different taxes at import; or the pre-registration of imports, as in Argentina, via an import licensing scheme. How the UK Customs tariff is set up will be vitally important for shippers.

Export controls and EU security measures

Shippers will be familiar with both the Economic Operator Registered Identification (EORI) number and the Authorised Economic Operator (AEO) safety and security criteria. As AEO is a WCO scheme the UK would have to retain this in some form,

MEMO

"Customs procedures are one of the biggest obstacles for speedy transport of goods. Even small improvements to the standard processes are valuable, so cutting out the paperwork altogether would be a massive step forward."

– IRU

although the Customs simplification side of AEO is not part of the WCO criteria. The EORI number is used to identify EU companies trading with third countries so it could no longer be relevant, though some type of identification and registration scheme would be needed; maybe a return to the previous Trader Unique Reference Number (TURN) system.

Losing EORI and EU AEO status means UK companies will no longer be able to be named as the exporter of goods out of or importer of goods into other member states of the EU. This could cause difficulties for members that have set up warehouses abroad and are currently exporting goods out under UK paperwork. But when the UK Customs Code is written, it will be up to industry to re-define exporter or importer for the benefit of UK shippers.

As an EU member state, UK shippers are used to dealing with the EU's Export Control System (ECS) and Import Control System (ICS), which requires pre-departure and pre-arrival information being lodged with the EU country of departure/arrival within a set timeframe, for example 24 hours before the goods are loaded for deep sea containerised cargo. New arrangements would have to be put in place if the UK was regarded as a third country. Switzerland has over 100 bilateral agreements with the EU to make its Customs processes work.⁴

MEMO

How would FTA members be affected post Brexit by the CE (Conformité Européenne) marking scheme; and other similar compliance schemes, for the sale of goods into Europe?

Establishing Free Trade Agreements

The UK has no Free Trade Agreements (FTA) in its own right and would be starting from scratch. The Association understands that the UK cannot negotiate trade agreements whilst still remaining a member of the EU, we will have to wait until we have exited, a minimum of two years after signing Article 50 of the Treaty of Rome, before we can establish FTAs with significant trading partners such as China, Japan, USA and Australia. But on Brexit +1 day there will still be documents, procedures and systems that essentially reflect EU law and members have warned that a UK-EU FTA should be readily available.

⁴ Strong and Herd LLP is able to provide members with expert training in Customs matters.

A reasonable solution might be to join the European Free Trade Association (EFTA) comprising of Switzerland, Norway, Iceland and Liechtenstein and benefiting from the FTAs they have in place. This should also mean that the UK becomes part of the Pan-Euro-Med Agreement (PEM). Approximately 80 per cent of EFTA's total merchandise trade is covered by preferential trade arrangements (EFTA website: www.efta.int/free-trade/free-trade-agreements).

Although nothing would change immediately, eventually EUR1 forms, Approved Exporter Status and ATR forms could cease to be relevant in the UK unless we became part of EFTA.

Many UK importers rely and benefit from preferential agreements that reduce Customs duty. The UK did have a Generalised System of Preference (GSP) scheme before joining the EU. A number of members have stressed the importance of getting FTAs and especially GSP in place without delay. There are currently 13 national GSP schemes notified to the UNCTAD secretariat including Norway, Switzerland and Turkey.

Use of the Europa website

The Europa website provides free information relating to the TARIC, Market Access Database (MADB), Anti-Dumping Duty laws and aspects of the Union Customs Code. It is likely that many members rely on information posted on the website, especially the MADB which is currently only available in full in EU member states. UK Customs could duplicate all this on a UK single window platform but should it be necessary to do so?

Country information

FTA's International department has specialised knowledge of road freighting requirements in the member states. To give an indication of the detail available to members, this section reviews the Czech Republic, which changed its short-form name to Czechia in 2016.



Czech Republic

Permitted operations

UK hauliers may carry goods to, through and from the Czech Republic (CZ) and may enter the country with an empty vehicle in order to pick up a return load. UK operators may carry loads between CZ and a third country and vice versa, provided this is permitted by the terms of the bilateral agreements between the three countries. Cabotage is permitted provided the national rules relating to hire and reward transport are respected.

Road network

The Czech road network is ranked 36 in the world, with a total of approximately 128,000km including in excess of 700km motorways/trunk roads.

Business culture

English is increasingly widely spoken, particularly by the business community and younger generation. The business day tends to start and finish earlier than in the UK. Meetings are likely to be formal and the use of surnames is common even in long-standing relationships. Be punctual and be aware that the meeting might take longer than originally expected.

Economy

The Czech Republic has attracted significant outside investment since the fall of communism and has become one of the most stable and prosperous central European states. The country joined NATO in 1999 and the European Union in 2004.

The country's economy remains sensitive to changes in the performance of its main export markets, especially Germany, and was seriously affected when western Europe fell into recession in late 2008. Real GDP fell 4.1 per cent in 2009; however GDP has slowly but steadily recovered since then. The car industry remains the largest single industry and, together with its suppliers, accounts for as much as 24 per cent of CZ manufacturing. More than a million cars were produced in 2010, over 80 per cent were exported.

Long-term challenges include concerns about corruption, especially in public procurement; dealing with a rapidly ageing population; funding an unsustainable pension and health care system; and diversifying away from manufacturing towards a more high-tech, service-based, knowledge economy.

Natural resources include coal, kaolin, clay, graphite and timber.

Driver and vehicle requirements

- Drivers must carry a full passport. Holders of passports which are in poor condition have been refused entry to the Czech Republic
- Appropriate UK driving licences are acceptable
- AETR drivers' hours rules and regulations, which are generally identical to the EU rules, apply
- Drivers must carry a letter from the vehicle owner confirming their authority to drive the vehicle
- A spare pair of glasses/contact lenses (if worn) should be kept in the vehicle
- Permits are not required for UK vehicles entering the Czech Republic

- A Green Card insurance certificate should be carried, or a policy must be taken out at the border
- The original vehicle registration must be carried on the vehicle
- A GB nationality plate must be affixed to the rear of the vehicle
- An 'own account' document should be carried if the vehicle is being used by a shipper for delivery of their own products (advisable, not a legal requirement)

Customs requirements

- TIR carnets are accepted for consignments destined for, or originating from outside, the EU
- ATA carnets are accepted for certain temporary imports
- CMR note and invoice for the goods is acceptable

Dangerous goods

The Czech Republic is a party to the ADR agreement. More details on pages 49–52 and 104– 105.

Road-related taxes and tolls

A system of electronic tolls applies to all vehicles over 3.5t maximum permitted weight.

Before using toll roads, a vehicle must be registered for the system, a deposit must be paid and a 'Premid' vehicle on-board unit must be installed in the vehicle. Registration for the 'Premid' OBU depends on the payment method selected, either pre-pay or post-pay. A registration form, available at all 'Premid' distribution and contact centres, must be completed and can also be downloaded from the official website: www.premid.cz An explanatory video is also available in English at www.mytocz.cz/en/index

There are over 200 points of sale throughout the country and the vehicle's unit may be purchased using credit cards such as DVK, Esso, EuroShell, Multiservice, Routex, Total etc. Discounts

are available for transporters making regular journeys into the Czech Republic.

Rates for motorways and trunk (assimilated) roads

(from 1 January 2015; tariffs in CZK/km)

Number of axles	Engine emission category	
	Euro V	Euro VI, EEV
2	1.83	1.67
3	3.13	2.85
4	4.52	4.12

Note: toll rates for use of roads on Friday afternoons and evenings have been significantly increased. Details from International department or www.premid.cz. Rates for older emission class vehicles are significantly higher.

The fuel contained within a standard main tank as fitted by the vehicle manufacturer may be imported duty-free.

Maximum vehicle weights and dimensions

The following maximum weights and dimensions apply.

Height 4m

Width

Motor vehicle/trailer	2.55m
Refrigerated vehicle	2.6m

Weights per axle

Per single axle	10t
Per drive axle	11.5t

Per tandem axle of motor vehicle,
with a distance between the axles of:

less than 1m	11.5t
1m to less than 1.3m	16t
1.3m to less than 1.8m	18t
1.3m to less than 1.8m, and the drive axle is fitted with twin tyres and air suspension or equivalent	19t

Per tandem axle of trailer or semi-trailer,

with a distance between the axles of:

less than 1m	11t
1m to less than 1.3m	16t
1.3m to less than 1.8m	18t
1.8m or more	20t

Per triaxle of trailer or semi-trailer,

with a distance between the axles of:

1.3m or less	21t
over 1.3m to 1.4m	24t

Maximum permitted	weight	length
Motor vehicle		
with two axles	18t	12.00m
with three axles	25t	12.00m
with three axles, and the drive axle is fitted with twin tyres and air suspension or equivalent	26t	12.00m
with four axles or more	32t	12.00m
Trailer		
with two axles	18t	12.00m
with three axles	24t	12.00m
Articulated vehicle	48t ⁵	16.50m
Road train		
with four axles (2+2)	36t	18.75m
with five axles (2+3)	42t	18.75m
with five axles, road friendly (3+2)	44t	18.75m
with six axles (3+3)	48t ⁵	18.75m

Abnormal loads/vehicles

Vehicles which exceed any of the above maximum weights or dimensions require special authorisation. Further details are available from FTA's Member Advice Centre.

Driving restrictions

Permanent restrictions

Vehicles concerned

Trucks and combination vehicles with a gross vehicle weight of over 7.5t.

⁵ Subject to configuration of axles and their distances apart, and tractor and semi-trailer individual requirements being met.

Area

On motorways, trunk roads and main (first class) roads.

Prohibition

On Sundays and public holidays from 13.00 hours to 22.00 hours.

*Temporary (summer) restrictions**Vehicles concerned*

Trucks and combination vehicles with a gross weight of over 7.5t.

Area

On motorways, trunk roads and first class roads.

Prohibition

From 1 July to 31 August:

- on Fridays from 17.00 hours to 21.00 hours
- on Saturdays from 07.00 hours to 13.00 hours
- on Sundays and public holidays from 13.00 hours to 22.00 hours

*Special prohibition**Vehicles concerned*

Special motor vehicles and carts whose overall width exceeds 0.60m.

Area

On first class roads outside built-up areas.

Prohibition

From 15 April to 30 September:

- on Fridays and the eve of a public holiday from 15.00 hours to 21.00 hours
- on Saturdays and the first day of a series of public holidays from 07.00 hours to 11.00 hours
- on Sundays and the last day of a series of public holidays from 15.00 hours to 21.00 hours

Exceptions to the above are vehicles:

- engaged in combined transport operations, from the shipper to the nearest loading point or from the nearest unloading point to the consignee
- used for essential seasonal agricultural transport
- used in the construction, maintenance or repair of roads
- transporting perishable goods according to ATP regulations, provided the goods take up more than half of the loading capacity of the vehicle
- transporting livestock
- transporting fuel for the continuous operation of service stations
- used for the loading or unloading of aircraft, ships or trains up to a distance of 100km
- carrying postal cargo
- empty, and travelling in connection with any of the transport operations mentioned in the above points
- needed in cases of natural disaster
- carrying chemical substances susceptible to temperature change or crystallisation
- used for driver training

The police are entitled to prohibit transport for an indefinite period of time, or to order a temporary change of route.

Local restrictions

In central Prague there are some zones prohibited to vehicles of more than 3.5 tonnes gvw. Exemptions may be granted by the city authority: Magistrat hlavního města Prahy. See the following website:

http://magistrat.praha.eu/63728_Zona-zakazu-vjezdu-nakladnich-automobilu-celkove-hmotnosti-nad-6-tun-3-5-tun-a-zakazu-vjezdu-autobusu (only in Czech)

The applicant must provide the following details.

- Applicant company details
- Reason for making the application
- Destination address
- Date and time of seeking entrance to the centre
- Vehicle type/size
- Registration number

Details of the restricted area may be found at www.tsk-praha.cz. For vehicles over 3.5t, this includes the historical centre of the city (Prague 1 and part of Prague 2) within the area of streets Vodičkova–Lazarská–Myslíkova–Masarykovo nábř.–Resslova–Karlovo náměstí.

For vehicles over 6t – part of the city, bounded by the following streets: Nuselská–Michelská and city circle road (Jiní spojka–Barrandovsk most–Dobříská–Radlická–Spořilov–Jiní spojka–5. května a Spořilovská.

For HGVs over 12t a further driving restriction is in place as follows. The restriction applies on the southern junction–between MUK Zabehlice and Barrandov Bridge, K Barrandovu Street (between Slivenec Street and Barrandov Bridge), in the Radotín area (on K Clementarne and Pod Klapici streets) and part of Strakonicka. The restriction is signposted and the fine for infringement is CZK 2,000 (approximately 82) and one penalty point.

Public holidays 2017

1 January	New Year's Day
14 April	Good Friday
17 April	Easter Monday
1 May	Labour Day
8 May	Liberation Day
5 July	Day of the prophets Cyril and Method
6 July	Anniversary of the death of Jan Hus (1415)
28 September	Czech Statehood/St Wenceslas Day

28 October	National Day
17 November	Freedom and Democracy Day
24/25 December	Christmas holiday
26 December	St Stephen's Day

Travel advice

Drivers should be on the alert for bogus plain clothes policemen, who may ask to see foreign currency and passport. Decline to show any money and offer to go with them to the nearest police station. If drivers suspect that they are dealing with bogus officers they can call 158 or 112 to check their identity. No CZ police officer has the right to check any money or its authenticity. Theft of property or passport should be reported in person to the Czech police within 24 hours to obtain a police report ('Policejní zpráva') crime number. If a passport is lost it is necessary to obtain a police report before a replacement can be issued. If practicable, drivers should visit:

Foreigner's Police Station in Prague

Jungmanovo namesti 9
Prague 1 (nearest metro stop is Mustek)

This police station is open 24 hours and English translators are available.

It is also possible to obtain a police report when the driver returns to the UK by sending a letter (in English) describing the event, to the following address.

Policejní prezidium – podatelna
Strojnická 27, 170 89 Praha 7, Czech Republic

There is a local motoring hotline for drivers, available in Czech and English, tel 00 420 1230.

Speed limits

The following speed limits apply (speed in km/h).

	In built-up areas	All-purpose roads (outside built-up areas)	Four-lane roads (expressways or dual-carriageways)	Motorways
Vehicles (less than 3.5t)	50	80	90	130
Lorries (more than 3.5t)	50	80	80	80
Articulated vehicles	50	80	80	80
Road trains	50	80	80	80

Vehicles with a maximum speed of less than 80 km/h are prohibited from using motorways.

Traffic offences and sanctions

The Czech authorities operate a penalty point system for traffic offences which applies also to foreign drivers. When an international driver has reached 12 penalty points, they will lose their authorisation to drive a motor vehicle in the Czech Republic for a period of one year. The Czech authorities will inform the relevant body in the country where the driver's licence was issued.

Offences	Points	Fine in CZK
Driving under the influence of alcohol or drugs	7	Legal action
Refusing to take a breath test or medical examination	7	
In an accident in which a person is killed or injured, failure to stop, to report the accident to the police or to return to the accident location after reporting it	7	
Overtaking when prohibited	6	
Endangering a pedestrian when turning or reversing	4	2,500
Using a mobile phone (not hands-free) or other communication/recording device while driving	3	1,000
Driving when restrictions are in force	2	2,500
Breaking vehicle lighting regulations	1	2,000

Emergency numbers

Police	158
Fire brigade	150
Ambulance	155
Breakdowns	261, 104, 477 (Servis 24) 1240 (ABA – Autoklub Bohemia Assistance)

Time difference

One hour ahead of GMT (UTC) and BST.

Transit times from/to UK

Approximately two to five days depending on the collection and delivery locations and service used. Generally one to three days for courier services.

Other requirements

- A warning triangle, fire extinguisher and first aid kit are compulsory. Snow chains should be carried for use during winter months if vehicle weight exceeds 7.5 tonnes and must be fitted when the relevant road sign is displayed. When used, a minimum of one pair of chains must be fitted to the drive axle; in the case of a vehicle combination two pairs of chains must be fitted. Vehicles using chains must not exceed 50km/h
- The use of studded tyres is forbidden
- Vehicles with a maximum construction speed of less than 80 km/h are forbidden on Czech motorways
- Priority must be given to pedestrians wishing to cross at pedestrian crossings
- When exiting a roundabout or overtaking a cyclist, indicators must be used to show the change of direction
- Dipped headlights are compulsory for all vehicles at all times
- Mobile phones should not be used whilst travelling except for hands-free systems

- The maximum level of alcohol permitted in the blood is 0.0 per cent
- Minimum tyre tread depth is 1.6mm

Useful contact addresses

British Embassy	Thunovska 14 118 00 Prague 1 Tel: 00 420 257 402 111 Fax: 00 420 257 402 296 www.ukinczechrepublic.fco.gov.uk/en/ Office hours: Mon–Fri 08.30–17.00 local time Mon to Fri 07.30–16.00 GMT
British Embassy Trade and Investment Section	Palac Myslbek Na Prikope 21 117 19 Prague 1 www.britain.cz Tel: 00 420 22224 – 0021/2/3 Fax: 00 420 2 2224 3625
Embassy of the Czech Republic	26 Kensington Palace Gardens London W8 4QY Tel: 0207 243 7914 Fax: 0207 727 9654 Email: london@embassy.mzv.cz www.czechembassy.org.uk
British Chamber of Commerce	Pobrezni 3 (in Prague) 186 00 Praha 8, Czech Republic Tel: 00 420 224 835 161 Fax: 00 420 224 835 162 Email: britcham@britcham.cz
Transport Authority	Ministry of Transport and Communication (Ministerstvo Dopravy a Spoj) Nabrezy L. Svobody 12/22 11015 Prague 1, Czech Republic Tel: 00 420 225 131 111 Fax: 00 420 251 303 1259 www.mdcr.cz

Appendices

APPENDIX 1

Permits and licences – additional information

Community Authorisations

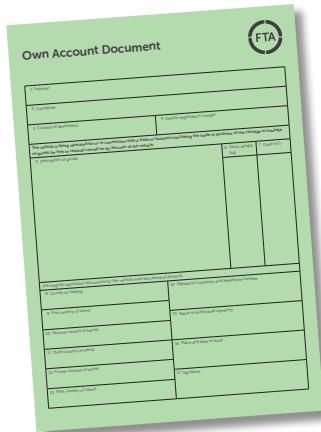
After the removal of the requirement for EU transport permits in 1993, a system of Community Authorisations was introduced (Regulation 881/92/EEC) which still remains in place. Under this arrangement transport operators in the UK holding standard international operator's licences are also issued with Community Authorisations. The original document must be kept at the carrier's place of business.

It is an offence to be on a journey to or through another EU country if the vehicle does not carry a certified copy of the operator's Community Authorisation. Transport operators not in possession of the documentation necessary for the journey being undertaken may be liable to a substantial fine, vehicle delays and stranded drivers.

For shippers distributing their own goods on their own vehicles the 'own account' document has been created which may help to overcome potential problems faced by drivers when asked by enforcement officers to produce Community Authorisations. These are available from FTA's Shop.

ECMT multilateral permits

Although the ECMT is now known as the ITF, most operators continue to refer to 'ECMT permits' in conversation. Shippers in the UK should be aware that only a limited number of permits are issued to international hauliers each year, but for most destinations the necessary permits are generally available. This permit can be used across the EU, however, the validity of permits is limited in some states, particularly Austria. ECMT permits are applicable to hire and reward journeys only.



For deliveries within the EU, UK-based shippers need not be concerned about the availability of ECMT permits unless they are using the services of a non-EU logistics company.

For reference, the ECMT states comprise the EU member states plus Albania, Armenia, Azerbaijan, Belarus, Bosnia Herzegovina, Croatia, Georgia, Iceland, Liechtenstein, Macedonia, Moldova, Montenegro, Norway, Russia, Serbia, Switzerland, Turkey and Ukraine.

How the above arrangements may change once the UK leaves the EU is still uncertain.

APPENDIX 2

List of freight ferry services

The development of roll-on/roll-off services since the mid 1960s and the opening of the Channel Tunnel in 1994 has seen a substantial growth in international movements of freight by road. Set out below is a list of most freight carrying services, both ro-ro and unaccompanied, from the UK and Republic of Ireland together with details of the operator. Service providers and routes operated are subject to change.

Belgium

	Approx journey time	
Antwerp from Tilbury, Transfennica		www.transfennica.com
Zeebrugge from Hull, P&O Ferries	13 hours	www.poferriesfreight.com
Zeebrugge from Killingholme, Cobelfret Ferries	13 hours	www.cldn.com
Zeebrugge from Purfleet, Cobelfret Ferries	9 hours	www.cobelfret.com
Zeebrugge from Rosyth, DFDS Seaways	23 hours	freight.dfdsseaways.com
Zeebrugge from Teesport, P&O Ferries	14½ hours	www.poferriesfreight.com
Zeebrugge from Tilbury, P&O Ferries	8 hours	www.poferriesfreight.com

Denmark

	Approx journey time	
Esbjerg from Immingham, DFDS Seaways	18 hours	freight.dfdsseaways.com

Estonia

Paldiski from Harwich, Mann Lines	www.mannlines.com
Paldiski from Tilbury, Transfennica	www.transfennica.com

Finland

Hanko from Tilbury, Transfennica	www.transfennica.com
Helsinki from Hull, Finnlines	www.finnlines.com
Helsinki from Tilbury, Mann Lines	www.mannlines.com

Kotka from Harwich, Mann Lines	www.mannlines.com
Kotka from Hull, Finnlines	www.finnlines.com
Kotka from Tilbury, Transfennica	www.transfennica.com
Rauma from Tilbury, Transfennica	www.transfennica.com

France

	Approx journey time	
Caen from Portsmouth, Brittany Ferries	7 hours	www.brittanyferriesfreight.co.uk
Calais from Dover, DFDS	1½ hours	freight.dfdsseaways.com
Calais from Dover, P&O Ferries	1½ hours	www.poferriesfreight.com
Calais from Folkestone, Eurotunnel	1½ hours	www.eurotunnelfreight.com
Cherbourg from Poole, Brittany Ferries	4 hours	www.brittanyferriesfreight.co.uk
Dieppe from Newhaven, LD Lines	4 hours	www.ldlinesfret.fr
Dunkerque from Dover, DFDS Seaways	1¾ hours	freight.dfdsseaways.com
Le Havre from Portsmouth, Brittany Ferries	8½ hours	www.ldlinesfret.fr
Roscoff from Plymouth, Brittany Ferries	9 hours	www.brittanyferriesfreight.co.uk
St Malo from Portsmouth, Brittany Ferries	9 hours	www.brittanyferriesfreight.co.uk

Germany

Cuxhaven from Harwich, Mann Lines	www.mannlines.com
Cuxhaven from Immingham, DFDS Seaways	www.dfdsseaways.co.uk

Ireland

	Approx journey time	
Cork from Roscoff, Brittany Ferries	14 hours	www.brittanyferriesfreight.co.uk
Dublin from Cherbourg, Irish Ferries	17 hours	www.irishferriesfreight.com
Dublin from Heysham, Seatruck Ferries	8 hours	www.seatruckferries.com
Dublin from Holyhead, Irish Ferries	3½ hours	www.irishferriesfreight.com
Dublin from Holyhead, Stena Line	3½ hours	www.stenalinefreight.com
Dublin from Liverpool, P&O Ferries	8 hours	www.poferriesfreight.com
Dublin from Liverpool, Seatruck Ferries	8 hours	www.seatruckferries.com
Rosslare from Cherbourg, Stena Line	17 hours	www.stenalinefreight.com

Rosslare from Cherbourg, Irish Ferries	18 hours	www.irishferriesfreight.com
Rosslare from Fishguard, Stena Line	4 hours	www.stenalinefreight.com
Rosslare from Pembroke, Irish Ferries	4 hours	www.irishferriesfreight.com
Rosslare from Roscoff, Irish Ferries	16½ hours	www.irishferriesfreight.com

Isle of Man

	Approx journey time	
Douglas from Heysham, Isle of Man Steam Packet Company	3½ hours	www.steam-packet.com

Isle of Wight

	Approx journey time	
East Cowes from Southampton, Red Funnel	1 hour	www.redfunnel.co.uk
Fishbourne from Portsmouth, Wight Link	45 minutes	www.wightlink.co.uk
Yarmouth from Lymington, Wight Link	45 minutes	www.wightlink.co.uk

Northern Ireland

	Approx journey time	
Belfast from Heysham, Stena Line	8 hours	www.stenalinefreight.com
Belfast from Liverpool (Birkenhead), Stena Line	8 hours	www.stenalinefreight.com
Belfast from Cairnryan, Stena Line	2¼ hours	www.stenalinefreight.com
Larne from Cairnryan, P&O Ferries	2 hours	www.poferriesfreight.com
Warrenpoint from Heysham, Seatruck Ferries	8 hours	www.seatruckferries.com

Netherlands

	Approx journey time	
Amsterdam (IJmuiden) from Newcastle, DFDS Seaways	16½ hours	freight.dfdsseaways.com
Hoek van Holland from Harwich, Stena Line	7½ hours	www.stenalinefreight.com
Hoek van Holland from Killingholme, Stena Line	11½ hours	www.stenalinefreight.com
Rotterdam (Europoort) from Harwich, Stena Line	8 hours	www.stenalinefreight.com
Rotterdam (Europoort) from Hull, P&O Ferries	11 hours	www.poferriesfreight.com
Rotterdam (Europoort) from Teesport, P&O Ferries	16½ hours	www.poferriesfreight.com
Rotterdam (Vlaardingen) from Felixstowe, DFDS Seaways	7½ hours	freight.dfdsseaways.com

Rotterdam (Vlaardingen) from Immingham, DFDS Seaways	11 hours	freight.dfdsseaways.com
Rotterdam from Killingholme, Cobelfret Ferries	11 hours	www.cldn.com
Rotterdam from Purfleet , Cobelfret Ferries	10 hours	www.cldn.com
Rotterdam from Killingsholme, Stena Line	11 hours	www.stenalinefreight.com

Norway

	Approx journey time
Brevik from Immingham, DFDS Seaways	26 hours

Poland

Gdynia from Tilbury, Transfennica	www.transfennica.com
--	--

Russia

St Petersburg from Hull, Finnlines	www.finnlines.com
St Petersburg from Tilbury, Transfennica	www.transfennica.com

Spain

	Approx journey time
Bilbao from Portsmouth, Brittany Ferries	24 hours
Bilbao from Poole, Brittany Ferries	37 hours
Santander from Plymouth, Brittany Ferries	20 hours
Santander from Portsmouth, Brittany Ferries	24 hours

Sweden

	Approx journey time
Gothenburg from Immingham, DFDS Seaways	26 hours

Source: Freightlink.co.uk

Shippers interested in finding out more statistics about cross-Channel freight between the UK and mainland Europe should click on to the Department for Transport website and refer to the quarterly report called Road goods vehicles travelling to mainland Europe, prepared by National Statistics.

APPENDIX 3

Operations

Vehicle security checklist

(approved by the UK Border Force)

Company name	Vehicle number
Loaded at	Trailer number
On (date)	

Check	After Loading Date:	First stop Date:	Second stop Date:	Final check	Extra check if time between third party check + embarkation >15 min	
					Yes	No
Vehicle/trailer inside	Yes No	Yes No	Yes No	Yes No	Yes	No
Tilts and roof checked for damage	Yes No	Yes No	Yes No	Yes No	Yes	No
External compartments checked	Yes No	Yes No	Yes No	Yes No	Yes	No
Below vehicle checked	Yes No	Yes No	Yes No	Yes No	Yes	No
TIR cord tight and in place and checked	Yes No	Yes No	Yes No	Yes No	Yes	No
Seal in place and checked	Yes No	Yes No	Yes No	Yes No	Yes	No
Padlock in place and checked	Yes No	Yes No	Yes No	Yes No	Yes	No
Seal/padlock number						
Third party check (eg CO ₂ , PMMW)				Yes No		
Cab checked				Yes No		Yes No
Time checked						
Driver's signature						

Suggested 'model' paperwork for operating a security system is available from the FTA Member Advice Centre, tel: 0370 60 50 000*.

Journey times for a 40 tonne articulated vehicle

Estimated total journey times for a driver subject to the EU drivers' hours rules, including breaks and overnight rest times and cross-Channel ferry/waiting times, from the West Midlands.

Avignon	30 hours	Hendaye	37 hours		
Basel	26 hours	Lyon	27 hours		
Bologna	45 hours	Paris	10 hours		
Bordeaux	34 hours	Salzburg	32 hours		
Brussels	9 hours	Strasbourg	25 hours		
Cologne	32 hours	Vienna	45 hours		
Hanover	25 hours				
Athens	6/7 days	Balearic Islands	7/8 days	Bucharest	5 days
Budapest	4 days	Ceuta/Melilla	10 days	Chisinau	9/10 days
Gibraltar	7 days	Istanbul	7/8 days	Lisbon	4 days
Minsk	8/10 days	Podgorica	7 days	Porto	4 days
Pristina	7/8 days	Riga	5/6 days	Skopje	6/8 days
Tallinn	6/7 days	Tirana	8/9 days	Warsaw	4/5 days

APPENDIX 4

Shippers' security checklist

It cannot be assumed that everyone who works for your company shares the same positive attitude towards the business that you do. Regrettably the same has to be said about others visiting your premises, including employees of contractors. There are two types of criminal, the opportunist thief who spots an unlocked office or unattended vehicle, and the professional who may be part of an organised gang stealing goods to order.

Managers have to ensure the business takes all reasonable steps to protect its employees and the assets under its care without becoming strangled by internal bureaucracy.

Key questions to ask are:

- what additional measures can we apply to improve security?
- how do we manage the measures that we take?

Key areas to be addressed are:

HR and site management

- Check and monitor your warehouse and loading staff
- Establish a secure despatch system
- Limit access to loading platforms
- Introduce a system of regular internal security audits
- Train all staff on the security procedures that affect them

Theft prevention

- Protect all consignment information – only divulge on a 'need to know' basis

Transport – liaise with your logistics service contractor

- Appropriateness of vehicle/specification
- Loading and delivery times and places

- Provision of en-route and destination information
- Check hauliers' identities and reputations
- Identify drivers arriving on site; use of biometrics
- Liaise with the consignee regarding their requirements
- Limit use of sub-contractors to a minimum
- Monitor the complete transport operation
- Ensure you receive a delivery report
- Ensure that sub-contractors conform to the contract specifications including driver training
- Be represented at, or supervise, the loading and cargo restraint processes
- Use appropriate packaging and labelling
- Ensure the correct sealing procedure is carried out
- Vary load codes, colours, seals etc
- Use of modern, hi-tech security devices on vehicles
- Define special procedures for high value loads
- Delivery address to be precise including landline phone number
- Documentation to be accurate and insurance in order
- Liaise with consignee and inform transport provider of acceptable delivery time
- Establish a rapid information exchange system in case of an emergency

APPENDIX 5

Road user charges

Eurovignette road toll fees

The current rates in Euros are:

No of axles	Max 3			Min 4		
	Euro 0	Euro 1	Euro II/III or better	Euro 0	Euro 1	Euro II/III or better
One day	8	8	8	8	8	8
One week	26	23	20	41	37	33
One month	96	85	75	155	140	125
One year	960	850	750	1,550	1,400	1,250

Tolls paid by logistics contractors can be a significant element in their quotation for a particular job.

French motorway tolls

Guide prices in Euros, for vehicles with four or more axles

Calais – Paris	€64
Caen – Paris	€46
Paris – Bordeaux	€167
Paris – Cannes	€227
Paris – Lille	€46
Paris – Lyon	€112
Calais – Montpellier	€114
Bordeaux – Poitiers	€55
Lyon – Fréjus Tunnel	€74

Italian motorway tolls

Mont Blanc Tunnel – Turin	€45
Milan – Naples	€134
Milan – Rome	€55
French border – Genoa	€45
Brenner Pass – Turin	€68

In Switzerland, the 'heavy vehicle fee' for a 40 tonne Euro V/VI emissions category vehicle travelling between Basel and Chiasso is in the region of CHF 300 (£200).

Tunnels

The use of tunnels by goods vehicles is also expensive.

Through the Frejus or Mont Blanc tunnels a journey with an ordinary general freight box vehicle of more than three axles will cost in the region of €320 (€500 return trip) although discounts are available for frequent users.

Grand St Bernard	€120 (single trip)
Wester Schelde	€25 (single trip)

Road user taxation is becoming increasingly common in mainland Europe and this includes the newer member states which have joined since May 2004. The Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia have all introduced such schemes independently over the last few years and most are not interoperable, although the situation is improving.

APPENDIX 6

Driver issues

Driver licensing

The majority of countries in Europe currently recognise UK driver licences, but it is always necessary for drivers to carry appropriate licences with them (ordinary and vocational).

A few countries require an international driving permit which can be obtained from the AA or RAC, and some main post offices. An international driving permit is valid for 12 months. Applicants must be at least 18 years old, be domiciled in the UK and produce a full valid UK driving licence.

Registration documents and authority to drive

To minimise any problems which may be encountered at a roadside check drivers should always carry with them the original registration document (V5) for the vehicle they are driving – a photocopy is not acceptable. If a vehicle is hired the rental company's paperwork should be carried and, if the original registration document is not available, a 'vehicle on hire certificate' (form VE103) is required. These are available from FTA Membership department on behalf of DVLA, at low cost. The driver should also carry a letter authorising them to drive the vehicle, written by the vehicle's owner. High fines up to €1,500 have been imposed on members for incorrect or incomplete documentation.

In order to inform shippers of the restrictive framework that delivery of their goods will be subjected to, the following table summarises the EU drivers' hours rules.

Breaks from driving	45 minutes break after no more than 4.5 hours driving. Break can be divided into two periods, the first at least 15 minutes long the second at least 30
Daily driving	Maximum of 9 hours, extendable to 10 hours no more than twice a week
Weekly driving	Maximum of 56 hours

Fortnightly driving	Maximum of 90 hours in any two-week period
Daily rest	11 hours, which can be reduced to a minimum of 9 hours no more than three times between weekly rests. The rest must be completed within 24 hours starting from the end of the last daily or weekly rest period
Split daily rest	May be taken in two periods, the first at least 3 hours long, the second at least 9 hours
Multi-manning daily rest	9 hours daily rest must be taken within a period of 30 hours, which starts from the end of the last daily or weekly rest period. For the first hour of multi-manning the presence of another driver is optional, but for the remaining time it is compulsory
Ferry/train daily rest	A regular (at least 11 hours) daily rest period may be interrupted no more than twice by other activities of not more than 1 hour in total, provided the driver is accompanying a vehicle which is travelling by ferry or train and the driver has access to a bunk or couchette
Weekly rest	<p>45 hours regular weekly rest, or a reduced weekly rest of at least 24 hours, must be started no later than the end of 6 x 24 hours from the end of the last weekly rest</p> <p>In any two consecutive weeks a driver must have at least 2 weekly rests – one of which must be at least 45 hours long</p> <p>A weekly rest which falls in two weeks may be counted in either week but not in both</p> <p>Any reductions must be compensated en block by an equivalent rest added to another rest period of at least 9 hours long</p>

Ferry/train daily rest concession

Where a driver accompanies a vehicle which is being transported by ferry or train, and takes a regular (11 hour) daily rest period, the rest period may be interrupted no more than twice by other activities (such as Customs formalities) not exceeding one hour in total, provided the driver has access to a bunk or couchette. The rest period must total 11 hours and this time does not include the interruption period(s).

MEMO

The drivers' hours rules are much more difficult to analyse correctly than the simple table above suggests. Double manning of vehicles, drivers with second jobs, occasional drivers, dealing with emergencies, travelling to work are only some of the issues to which special rules apply and which can influence the availability of drivers to take the load to its destination.

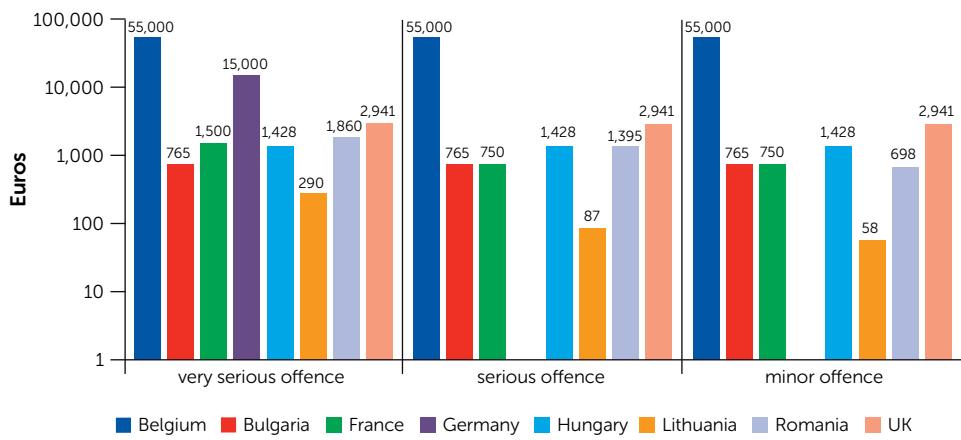
FTA members should contact the Member Advice Centre, tel 0370 60 50 000* for advice on specific situations.

Fines for non-compliance

In most member states a system of graduated fines exist, the more serious the infringement, the higher the fine. It is unusual for the same fine to be imposed on the driver and/or the transport operator in different member states for the same offence and they can vary widely, as shown in the table below.

In Switzerland, sanctions for the infringement of rules concerning driving and rest times, as well as for using the tachograph incorrectly, vary between cantons.

Maximum fines (Euros) by member state for infringements of driving hours rules



Source IRU, Geneva

Financial penalties for non-compliance with driving/rest time rules are normally moderate in comparison to those for infractions against rules on the use of tachographs; while the most severe sanctions are applied for the deliberate forgery of tachograph data.

APPENDIX 7**More on weights and dimensions of vehicles**

There are a number of variations to the following EU standardised list which have been introduced by member states over the years. Maximum weights are also affected by the type of suspension system of the vehicle and whether it is engaged in ‘combined transport’ activities. As a guide, the main provisions of Directive 96/53 as amended are as follows.

Vehicle dimensions**Length**

Motor vehicle/Trailer	12m
Articulated vehicle	16.5m
Road train	18.75m

Height

Any vehicle	4m (UK – no limit)
-------------	-----------------------

Width

All vehicles	2.55m
Controlled temperature vehicles	2.6m

Weight

Two axle rigid	18t
Three axle rigid/air suspension	25t/26t
Four axle rigid with two steering axles	32t
Road train	
2+2 axle	36t
2+3 axle	40t
3+2 axle	40t
3+3 axle	40t (UK – 44t)

Articulated vehicle	
2+2 axle	36t/38t
2+3 axle	40t
3+2 axle	40t
3+2 axle	44t ⁶
3+3 axle	40t/44t

⁶ When used in combined transport operations.

Trailer		
two axles	18t	
three axles	24t	
	(UK – 25t)	
Axle weights		
Per drive axle	11.5t	
Per single axle	10t	
Per tandem axle		
motor vehicle	18t	
	(UK– 19t)	
trailer	20t	
Per triaxle	24t	

Abnormal loads abroad

Contractors transporting loads for shippers which exceed the maximum weights or dimensions regulations in the countries through which they are travelling will, without exception, have to give notice in advance to police and/or highways authorities, as is the case in the UK. This particular international activity is fraught with difficulties and shippers should be prepared to work closely with their contractors in order to ensure that every aspect of the proposed load movement is understood and taken into account beforehand.

Shippers should remember that submitting an application for a transport permit to a foreign ministry, even if it is well-drafted and in their own language, does not guarantee a favourable reaction. Each administration has a wide variety of specialised rules and flawed or incomplete applications will not be dealt with. FTA's Member Advice Centre can recommend specialist companies which will assist members in this area.

APPENDIX 8

Additional information on the CMR Convention

The CMR consignment note

Discussions are continuing over the regulation on the use of electronic consignment notes in a simple and harmonised manner. Several member states and Switzerland have signed a UNECE Protocol allowing the use of e-notes, but progress is slow, given the difficulties outlined on page 47, and in the meantime, contracts for carriage should be evidenced by the completion and use of a paper consignment note. The absence of such a document, however, does not invalidate the terms of the convention, all of which will continue to apply.

The CMR Convention gives no guidance as to who should complete the consignment note, although there is an apparent assumption that it should be completed by, or on behalf of, the shipper/consignor. A practice has grown up of consignment notes being completed by the carrier but in such cases the shipper cannot easily impose any special conditions on the carrier or ensure that proper arrangements are made to register any special interest there may be in the consignment value should it exceed the carrier's maximum liability set out in the convention.

The convention requires the consignment note to be completed in three original copies signed by both shipper and carrier. On delivery of the goods, a receipt signature should be obtained on one copy from the consignee. Each party to the contract retains a copy of the consignment note whilst the third copy travels with the goods to the destination and eventually forms the proof of delivery.

The convention does not lay down either a model or specific format for the CMR note but only the data and clauses to be included in the document. The current version of the CMR document introduced in 2008 is available to members through FTA's Shop and is shown above.



Article 6.3 provides that the parties may enter in the consignment note any other particulars which they may deem useful.

Insurance

There is no legal requirement for carriers to insure against their CMR risks but FTA would strongly urge shippers/consignors to seek evidence from carriers that they have full CMR insurance cover against the relevant risks. This should not lead consignors to dispense with their own international goods in transit insurance. Holders of such policies will, in the event of loss, be able to claim against their own insurers and leave the insurers to pursue subrogated claims against the carrier under CMR.

The liability of the shipper/consignor under CMR

There are specific liabilities placed on the shipper by CMR which it is important to note.

The shipper is liable without any financial limitation for all expenses, loss and damage sustained by the carrier by reason of the inaccuracy or inadequacy of:

- most of the compulsory particulars in the CMR consignment note
- all of the 'where applicable' particulars in the consignment note
- any other particulars or instructions given to the carrier to enable the consignment note to be made out

The sender is also liable without any financial limitation:

- for damage to persons, equipment, or to other goods and any expenses incurred as a result of defective packing of the goods
- to the carrier for any damage caused by the absence, inadequacy or irregularity of information supplied for the purposes of Customs or other formalities

Information which must be included on the CMR note

Article 6.1 of the convention sets out the information which must be shown in the consignment note. The information required is as follows.

- 1 The date of the consignment note and the place at which it is made out
- 2 The name and address of the shipper/consignor
- 3 The name and address of the carrier
- 4 The place and date of taking over of the goods and the place designated for delivery
- 5 The name and address of the consignee
- 6 The description in common use of the nature of the goods and the method of packing and, in the case of dangerous goods, their generally recognised description
- 7 The number of packages and their special marks and numbers
- 8 The gross weight of the goods or their quantity otherwise expressed
- 9 Charges relating to the transport (carriage charges, supplementary charges, Customs duties and other charges incurred from the making of the contract to the time of delivery). Note: In the UK and many other countries this requirement is generally ignored
- 10 The requisite instructions for Customs and other formalities
- 11 A statement that the carriage is subject, notwithstanding any clause to the contrary, to the provisions of the CMR Convention

Article 6.2 of CMR lists those items which the consignment note must contain if they are applicable.

- 1 A statement that transhipment is not allowed
 - 2 The charges which the shipper undertakes to pay
 - 3 The amount of 'cash on delivery' charges
 - 4 A declaration of the value of the goods and the amount representing special interest in delivery
 - 5 The shipper's instructions to the carrier regarding insurance of the goods
 - 6 The agreed time limit within which the carriage is to be carried out
 - 7 A list of the documents handed to the carrier
- for all expenses, loss or damage arising out of the handing over or the carriage of dangerous goods which the carrier did not know were dangerous

The liability of the carrier

Subject to certain defences listed below, the carrier's liability for the goods in their care is absolute and is set out as follows.

- The carrier shall be liable for the total or partial loss of the goods and for damage thereto occurring between the time when they take over the goods and the time of delivery, as well as for any delay in delivery
- The carrier, if liable for total or partial loss of the goods, is also liable to refund (in full in the case of total loss and in proportion in the case of partial loss) carriage charges, Customs duties and other charges incurred in respect of the carriage
- article 3 states that "... the carrier shall be responsible for the acts and omissions of his agents and servants and of any other person of whose services he makes use for the performance of the carriage, when such agents, servants or other persons are acting within the scope of their employment, as if such acts or omissions were his own."

The defences available to the carrier in respect of these liabilities are set out in Article 17.4 and apply when the loss or damage arises from the special risks listed below.

- The use of open, unsheeted vehicles
- The lack of, or defective condition of, packing
- The handling, loading, stowage or unloading of the goods by the sender, the consignee or persons acting on their behalf
- The nature of certain kinds of goods which particularly exposes them to total or partial loss or to damage (including livestock)
- The insufficiency or inadequacy of markings or numbers

Article 17.2 provides some additional defences for the carrier which apply if the loss, damage or delay is caused:

- by the wrongful act or neglect of the claimant

- by the instructions of the claimant
- by inherent vice of the goods
- by unavoidable circumstances

This last defence which may, on the face of it, appear to provide a general 'get out' clause for the carrier has in fact been very strictly interpreted by the courts. The doctrine being used has been described as one of 'utmost care'. The carrier would only be relieved of liability if they could prove that, despite having exercised 'utmost care' a loss still occurred.

The carrier's defence relating to loss or damage arising from breakage, rust, decay, etc is not available to them unless the carrier can prove that they have taken all steps incumbent on them in the circumstances with respect to the choice, maintenance and use of the equipment and that they complied with any special instructions issued to them (Article 18.4).

Compensation under CMR

Where a loss occurs which gives rise to a claim then the compensation payable is the value of the goods lost, but with a maximum limit of 8.33 Special Drawing Rights (SDR) per kilogram. The value of the SDR, available from the International Monetary Fund website or newspapers such as the Financial Times must be converted into national currency at the applicable daily rate of exchange. As a guide, if the current SDR is £0.96 it would give an approximate liability of £8.000 per tonne, which could fall far short of the value of the load being transported. If it can be proved that damage has resulted from the delay, the carrier's liability does not exceed the carriage charges.

A shipper may, against payment of a surcharge, agree with the carrier a value for the goods which exceeds the limit of compensation or agree the amount of a special interest in delivery in the case of loss or damage or in the event of the agreed time limit being exceeded. In either case the agreed

amount would be substituted for the maximum liability of the carrier set out in the convention.

Successive carriers

A carrier may normally, if they so wish, sub-contract the haulage contract. If, however, there is a claim for compensation following loss, damage or delay under the contract then the person entitled to claim (often the shipper) may make their claim against:

- the first carrier
- the last carrier
- the carrier causing the loss, or
- against some or all of these three

The claimant will frequently make their claim against the first carrier with whom the contract was originally concluded and leave the first carrier to pursue any claim they may have against a successive carrier. These matters of claim and counterclaim are generally resolved by agreement between the insurers of the various parties.

MEMO

A briefing note explaining in more detail the intricacies of liability of the parties under CMR is available on the International road freight pages of the FTA website. The situation is made more complicated by the fact that individual member states interpret elements of the convention each in their own way – shippers should choose the place of claim carefully and the advice of a specialist lawyer should be sought if any claim being pursued is substantial. FTA's International department can supply contact details of specialist bilingual transport lawyers in most countries across Europe.

Limitation periods

Consignees are well advised to check the condition of goods upon receipt with the carrier. If this is not done or if written reservations are not sent to the carrier not later than the time of delivery (in the case of apparent loss or damage), or within 7 days of delivery (in the case of non-apparent damage), then the fact that the consignee has taken delivery is prime facie evidence that they received the goods in good order and condition. The consignee can subsequently seek to argue against this presumption but evidentially it makes the consignee's position more difficult.

The period of limitation for an action arising out of carriage is one year unless there is wilful misconduct on the part of the carrier, in which case the period is three years. Depending on the nature of the loss or damage suffered there are different

starting points, therefore it is essential that a claimant sues the carrier (or carriers) well before this period has expired.

Note that the limitation period can be suspended if the claimant sends a written claim to the carrier. If the carrier ignores the written claim the one year limitation period will remain suspended indefinitely. In order to start time running again the carrier must formally reject the claim in writing and return any documents that were attached to the claim letter (it is no longer necessary under English law to return photocopy documents).

APPENDIX 9

Dangerous goods transport

MEMO

FTA runs courses towards DGSA qualification and offers a DGSA consultancy service for shippers who have chosen to train their own staff. Contact FTA Member Service Centre, tel 03717 11 22 22.*

International movements throughout the European Union which comply with the requirements of ADR are generally exempt from member states' domestic requirements. There are nine classes of dangerous goods as listed below.

Class 1 Explosive substances and articles

Class 2 Gases: compressed, liquefied or dissolved under pressure

Class 3 Flammable liquids

Class 4.1 Flammable solids

Class 4.2 Substances liable to spontaneous combustion

Class 4.3 Substances which give off flammable gases on contact with water

Class 5.1 Oxidising substances

Class 5.2 Organic peroxides

Class 6.1 Toxic substances

Class 6.2 Infectious substances

Class 7 Radioactive substances

Class 8 Corrosive substances

Class 9 Miscellaneous dangerous substances and articles.
Class 9 covers substances and articles which, during carriage, present a danger not covered by the headings of other classes (for example asbestos)

<p>279771</p> <p>COPPIA DI DOCUMENTI COPIE 1 - DOCUMENTS COPIE 2 - COPIE 2 - DOCUMENTS</p> <p>1 Documento da spedireur Copy for sender</p> <p>LETTRE DE VOITURE INTERNATIONALE</p>	CMR INTERNATIONAL CONSIGNMENT NOTE	Pay/Country No ...															
<p>1 Expéditeur (nom, adresse, pays) Sender (name, address, country)</p> <p>2 Destinataire (nom, adresse, pays) Consignee (name, address, country)</p> <p>3 Lieu / Place en charge de la marchandise / Taking over the goods Lieu / Place Pays / Country Date Heure d'arrivée / Time of arrival Heure de départ / Time of departure</p> <p>4 Livraison de la marchandise / Delivery of the goods Lieu / Place Pays / Country Heures d'ouverture du dépôt / Warehouse opening hours</p> <p>5 Informations de l'expéditeur Sender's instructions</p>																	
<p>6 Transporteur (nom, adresse, pays, autre référence) Carrier (name, address, country, other reference)</p> <p>7 Transports successifs / Successive carriers Nom / Name Adresse / Address Pays / Country Date et heure de réception Receipt and Acceptance Date Signature</p> <p>8 Réserve d'expéditions du transporteur lors de la prise en charge de la marchandise Carrier's reservations and reservations on taking over the goods</p>																	
<p>9 Documents remis au transporteur pour l'expédition Documents handed to the carrier by the sender</p>																	
<p>10 Marques et numéros Marks and Nos 11 Nombre de colis Number of packages 12 Mode d'emballage Method of packing 13 Nature de la marchandise Nature of the goods 14 Poids brut, kg Gross weight in kg 15 Cubage m³ Volume in m³</p>																	
<p>Nom(s) ONU UN Number Nom civ. Name civ. Nom(s) d'expédition Letter Number Groupe d'emballage Packing Group (ADP) (UDP)</p>																	
<p>16 Conventions particulières entre l'expéditeur et le transporteur Special agreements between the sender and the carrier</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">17 A régler par le transporteur</td> <td style="width: 30%;">Expéditeur</td> <td style="width: 40%;">Destinataire</td> </tr> <tr> <td>Prise de transport Carriage taken by</td> <td></td> <td></td> </tr> <tr> <td>Frais accessoires / Supplementary charges</td> <td></td> <td></td> </tr> <tr> <td>Droits de douane / Customs duties</td> <td></td> <td></td> </tr> <tr> <td>Autres frais / Other charges</td> <td></td> <td></td> </tr> </table>			17 A régler par le transporteur	Expéditeur	Destinataire	Prise de transport Carriage taken by			Frais accessoires / Supplementary charges			Droits de douane / Customs duties			Autres frais / Other charges		
17 A régler par le transporteur	Expéditeur	Destinataire															
Prise de transport Carriage taken by																	
Frais accessoires / Supplementary charges																	
Droits de douane / Customs duties																	
Autres frais / Other charges																	
<p>18 Autres indications utiles Other useful particulars</p> <p>19 Remboursement Cash on delivery</p>																	
<p>20 Ce transport est soumis, nonobstant toute clause contraire, à la Convention relative au contrat de transport international de marchandises par route (CMR) This carriage is subject, notwithstanding any clause to the contrary, to the Convention on the Contract for the International Carriage of Goods by Road (CMR)</p>																	
<p>21 Date à l'émission du 20. 22. 23. 24. Marchandises reçues / Goods received Date of issue / Date of arrival Heure d'arrivée / Time of arrival Heure de départ / Time of departure Lieu / Place Lieu / Place Lieu / Place</p>																	
<p>Signature ou timbre du transporteur Signature or stamp of the carrier Signature ou timbre du destinataire Signature or stamp of the consignee</p>																	
<p>Partie non contractuelle réservée au transporteur / Non-contractual part reserved for the carrier</p>																	
<p>No Modèle CMR 2007</p>																	

Dangerous Goods Safety Advisers

Employers who load or transport dangerous goods beyond the thresholds laid down in the Transport of Dangerous Goods (Safety Advisers) Regulations 1999 need to appoint a safety adviser to guide them on the legal, safety and environmental aspects of the transport of dangerous goods. Such advisers (DGSA) can be employees or consultants, but they must have passed the appropriate exams.

APPENDIX 10**A shipper's checklist for goods involving road transport to a difficult destination**

Thankfully, almost always, deliveries to customers and collections from suppliers take place without incident. But what if a new route is introduced that involves transport to destinations in Belarus, Ukraine, the Russian Federation, Georgia, Kazakhstan or Jordan? Goods travelling under cover of a TIR carnet to such destinations require a higher level of insurance, for transport to a 'High Risk' territory. Shippers whose activities involve travelling overland to such areas would be advised to check the following with their logistics service contractor.

- What experience does the haulier have travelling to such areas?
- Does the driver have local knowledge of the destination country and can they speak the language?
- Do the vehicles travel in convoy?
- Are the vehicles double-manned?
- Do the vehicles routinely travel at night?
- Does the vehicle specification include telematics/GPS tracking?
- Is there direct delivery to a secure warehouse?
- Is the driver given instructions/training in theft prevention

See also **Appendix 4** (page 88) for additional security information.

APPENDIX 11**Road transport legislation and Brexit**

Withdrawal from the EU will not mean that only UK law will apply, for example the UK would also need to apply United Nations and World Trade Organization rules, regardless of its EU membership status.

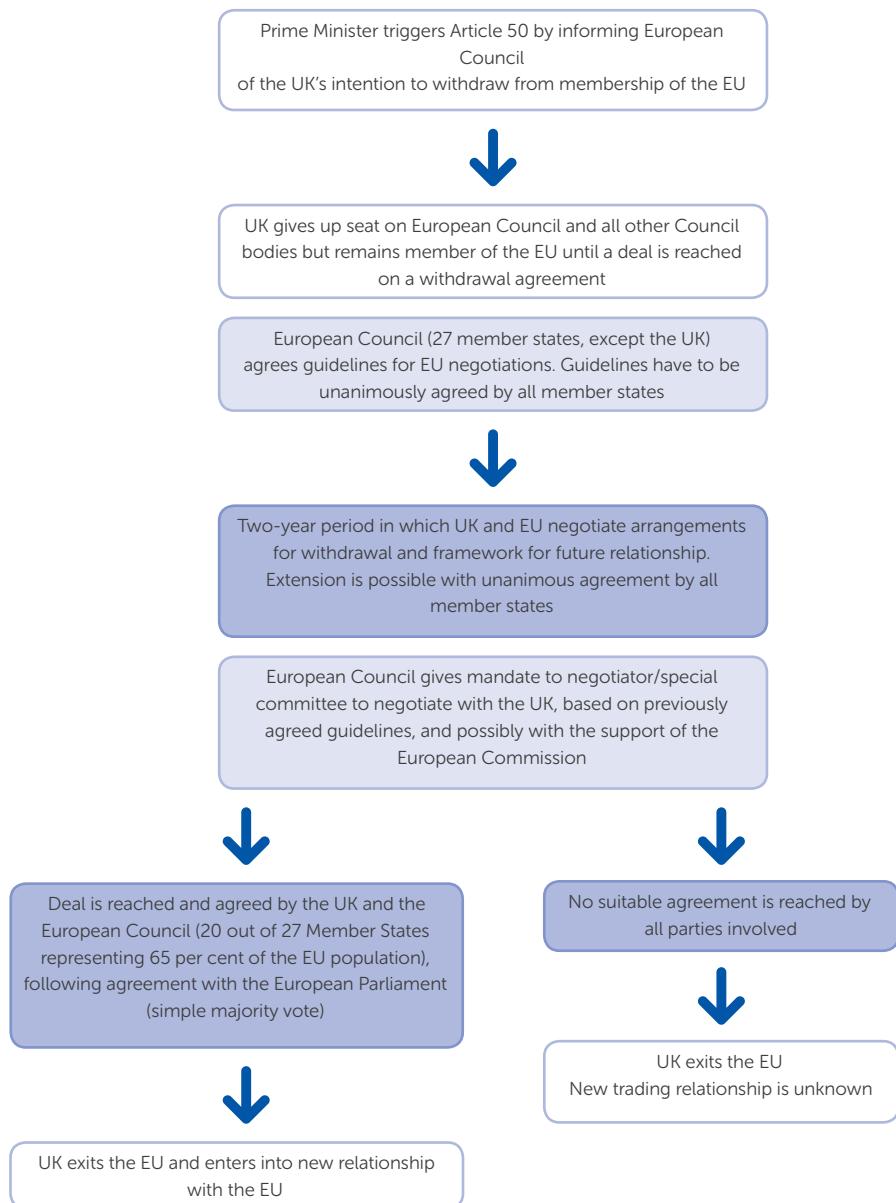
The following is a selection of relevant pieces of EU road transport legislation which would cease to apply following annulment of the 1972 Act. Other measures, such as those regarding competition or freedom of movement, would also need to be considered as part of the exit agreement. Besides legislation and trade deals, the UK would also need to negotiate an agreement with the EU to allow UK companies and organisations to be able to remain beneficiaries of EU funds covering areas like research and development, innovation, environmental adaptation or transport infrastructure.

Road transport legislation and Brexit

Drivers' hours	Regulation	Regulation 561/2006 would disapply	UK is signatory to AETR (European agreement on the work of crews of vehicles engaged in international road transport) which has adopted the requirements of 561/2006
Tachograph	Regulation	Regulation 651/2014 would disapply	UK is signatory to AETR which has adopted the requirements of 651/2014
Working time	Directive	The Road Transport (Working Time) Regulations 2005 would remain in domestic legislation	
Driver Certificate of Professional Competence	Directive	The Vehicle Drivers (Certificate of Professional Competence) Regulations 2007 would remain in domestic legislation	UK is signatory to AETR which has adopted the requirements of 2003/59/EC
Vehicle type approval	Directive and Regulation	Directive 97/27/EC and implementing measures Regulation 661/2009 and 1230/2012 would disapply	UNECE

Weights and dimensions / construction and use	Directive	The Road Vehicles (Construction and Use) Regulations 1986 would remain in domestic legislation The Road Vehicles (Authorised Weight) Regulations 1998 would remain in domestic legislation	
Driving licence	Directive	2006/126/EC would disapply	Directive incorporated into multiple items of legislation in Great Britain and Northern Ireland. Directive covers driving instructor standards, minimum test vehicle requirements licensing and medical standards. These include Road Traffic Act 1988, Motor Vehicle (Driving Licences) Regulations 1999, Motor Vehicle (Driving Licences) Regulations (Northern Ireland) 1996
Operator licensing	Regulation	Regulation 1071/09 would disapply	Goods Vehicles (Licensing of Operators) Act 1995
Dangerous goods	International Agreement		UK is signatory to the International Carriage of Dangerous Goods by Road (ADR) Agreement
Roadworthiness testing	Directive	Directive 2014/45/EU on periodic roadworthiness tests would disapply Directive 2014/47/EU on technical roadside inspections would disapply Directive 2014/46/EU on vehicle registration documents would disapply	MOT legislation would remain in force
Road charging		Directive 2011/76/EC on charging for infrastructure would disapply Directive 2004/52/EC on interoperable tolling would disapply Council Directive 2003/96/EC on minimum levels of fuel taxation would disapply	HGV Road User Levy Act 2013 would remain in force
International market access / cabotage		Regulation 1072/09 would disapply. Conditions to permit international transport and non-UK cabotage would need to be agreed	

Article 50 – Withdrawal from the European Union



Useful references/contacts

Department for Transport	Tel: 0300 330 3000 www.dft.gov.uk
Department for Exiting the European Union	www.gov.uk/government/organisations/department-for-exiting-the-european-union
FTA Member Advice Centre	Tel: 0370 60 50 000
HM Foreign & Commonwealth Office (information on embassies, passports, safety, travel and more)	www.fco.gov.uk
HM Revenue and Customs VAT and Excise	Helpline: 0845 010 9000
Home Office Customs Confidential hotline (to report suspicions of excise evasion, drugs and people trafficking)	Tel: 0800 59 5000
Home Office Terrorist hotline (to report suspicions of terrorist activity)	Tel: 0800 789 321
International Road Freight Office (IRFO) (for help with enquiries about permits)	Tel: 01223 531030 www.gov.uk/irfo
Translation service online: (real-time assistance for drivers abroad, in trouble at the roadside, etc)	Tel: 0845 055 9754/6 www.langcommlive.com
UK Border Force (for guidance on border security/stowaways on lorries)	Tel: 0208 745 6006 www.gov.uk/borderforce

Tel: 01892 526171*

Fax: 01892 534989

www.fta.co.uk   

Freight Transport Association Limited

Hermes House, St John's Road, Tunbridge Wells, Kent TN4 9UZ • Registered in England Number 391957

ISBN: 978 1 905849 53 6

Re-order code: 5056

©FTA 2017. All rights reserved.

03.17/DA