



Freight Transport Association

UK Council Meeting Minutes

5 July 2018

One Great George Street, Westminster, London, SW1P 3AA





Freight Transport Association

Road Freight Council

Minutes of the meeting held at the One Great George Street, London, SW1P 3AA on Thursday 5 July 2018 at 0930

PRESENT)
IN ATTENDANCE) As recorded in the minute book
APOLOGIES)

ROAD/18/25 Apologies and personnel, competition law and compliance

Apologies were taken as read and recorded in the minute book.

Council noted the rules concerning the conduct of FTA meetings.

ROAD/18/26 Minutes and matters arising

Following discussions at the last meeting regarding **Malfunction Indicator Lamps (MIL)** particularly in respect of emissions systems, the issue was discussed across FTA's Engineering Forums during June.

It had been confirmed that the illumination of an amber light for emissions alone was not grounds for the issuing of an immediate prohibition, and that DVSA's Categorisation of Defects (CoD) stated that it should attract an inspection notice. FTA would discuss the treatment of amber warning lights at the roadside with DVSA.

FTA had responded to DfT on the **Haulage Permit and Trailer Registration Bill**. DVLA would administer the scheme which will apply to any trailer greater than 750kg used for business and 3.5 tonnes when used for private use.

DVLA had agreed with FTA's argument that the trailer registration process which could have resulted in 3 types of identifier for a single trailer would be modified and the proposed individual trailer 'key' had been replaced with a user name and password which would identify the keeper's trailer fleet.

Following discussions at the previous meeting, FTA had raised with the Senior Traffic Commissioner the issue of **reporting dismissals for driver behaviour**. The STC had advised that there could be a breach of GDPR, so it was important that an operator words employment contracts correctly. It had been noted that such reporting was normal practice in the PSV sector, which seemed to have a greater sense of operators looking out for each other.

The STC had encouraged operators to make such reports to the Traffic Commissioners in the interests of the industry looking out for each other; there should not be any issue with doing so but there was also no requirement for an operator to report such cases. It was emphasised that the burden of proof would always lie with the Traffic Commissioner rather than the operator.

It was suggested to Council that an operator ought to consider the reputational impact if a driver dismissed in such circumstances was subsequently involved in an accident and a previous operator had been seen not to have acted.

The minutes of the meeting held on 9 May 2018 were approved as a true and accurate record of the meeting.

ROAD/18/27

Secretary's Report

The ***Directive amending Driver CPC*** had now been finalised, to come into force on 22 May 2020. This would not be impacted by any Brexit transition period. Initial analysis had shown the impact to be reasonably limited, thus being relatively successful in respect of the stated goal agreed by Road Freight Council, that the Directive should not constrain customers' ability to undertake targeted training.

Council was briefed that the European Parliament was very divided on the ***EU Mobility Package***. The proposals of the transport committee had been challenged by the full assembly which referred all the files back to the committee to work out new compromises.

Freight councils had discussed proposals to reform ***statutory recovery charges in Scotland***. Councils had recognised that recovery operators were entitled to a fair return for the service. However, the inflated rates set out in the consultation should be questioned and a breakdown of how the costs are calculated provided. Operators must retain the right to use their own recovery service if it can reach the scene in a reasonable time.

Proposals regarding driving ***alternatively fuelled vehicles on a category B driving licence*** were broadly welcomed in Freight Councils, and the 5 year initial timescale was not thought to be a problem. Concern had been expressed that 5 hours training would be as much as a driver might need to gain their category C1. Members thought that training should include vulnerable road users, driver walk around and pre-use checks, braking distances, how to load and unload, how to drive the heavier weight safely, fuel efficiency, and characteristics of alternatively fuelled vehicles such as how to charge and operate the vehicle, characteristics of electric vehicle fires, refuel/recharge.

Online courses should be an option and the training should be conducted by the private sector whilst administered by DVSA. It seemed sensible that entitlement be signified by a code on the licence.

Three ***Traffic Commissioners*** had been welcomed to Freight Councils and working groups during the previous round. As well as contributing to the debates on reporting of dismissals and financial standing for restricted licence holders, they raised a number of notable points.

Senior Traffic Commissioner, Richard Turfitt, attended the Utilities Services Group. Mr Turfitt emphasised that transport compliance should be a standing

item on board meeting agendas for companies which hold an operator licence and that the Traffic Commissioner does not want to find out about big fines (e.g. Health and Safety) in the papers.

Traffic Commissioner for the Western Traffic Area, Kevin Rooney, attended South Central Freight Council and the Southern Engineering Forum. He reported that operators at public inquiry often stated that emission defeat devices detected on hire vehicles had been installed by a previous user. Very often, it seemed that devices were being fitted to mask a technical problem rather than to defeat the emissions management system. The progress of the development of the Vehicle Operator Licensing system had meant that the pdf GV79 form had now been effectively abolished.

The Traffic Commissioner for the West Midlands Traffic Area, Nick Denton, attended West Midlands Freight Council. He had expressed concern regarding older qualified managers who had not kept knowledge up to date; this was most acute in the restricted sector. Concern was also expressed regarding drivers with multiple tachograph cards, and the management of sub-contractors.

ROAD/18/28

Van VED reform

Members were updated on the proposals from Government to reform Van VED rates to reflect reforms made to the car sector. There was broad agreement across the councils that the proposals were unlikely to influence vehicle procurement decisions, but that there was no significant objection to the revised charging framework.

However, there was concern expressed that a system which mirrored the car VED structure would incorporate the mistakes of that system. It was suggested that the thresholds had not been set at a level which the manufacturers were capable of meeting and realistic levels must be used if proposals were to have any impact. It was suggested that emission standards (Euro standards) might be a better system.

Council agreed that FTA should press Government that real influence over uptake of alternatively fuelled vehicles will be through improved recharging or refuelling infrastructure and use of incentives through the regulatory system.

ROAD/18/29

Change to financial standing rates for restricted operators

During the Freight Council round, a consultation was published on reviewing the Financial Standing rates for restricted operators. These had been unchanged since 2004.

Whilst the legal differences between the financial standing rates for restricted and standard licences were recognised (that the rate for restricted operators was purely for maintaining vehicles whilst the rate for standard incorporated a protection for the wider freight industry of certainty of operation) it was not accepted that failure in the restricted sector did not impact upon operators' customers.

It was suggested that where the Traffic Commissioners were detecting failures of compliance on the part of restricted operators, financial standing was a small element of this next to professional competence. It was also queried whether,

in reality, cases of non-compliance were more prevalent in restricted operators or standard operators.

It was suggested that traffic commissioners should assess a business's commercial viability using a credit reference check, as was done in the commercial sector.

Financial standing is a small aspect of non-compliance in the restricted sector - regulatory reform would achieve more improvements in compliance.

Road Freight Council agreed that there was no practical reason why the financial standing figures for restricted and standard operations should not be the same, however this did not imply that the rates for standard licences were correct. Rates should be set using evidence of costs of maintaining vehicles with a view to bringing the standard rate for domestic operations into parity once the UK had autonomy in this area.

Road/18/30 Red diesel review

Council was briefed on the Government's call for evidence regarding the use of red diesel. It seemed likely that it was a pre-cursor to taking some action at the budget.

Members stated that for financial levers to work, price rises must be able to make a difference to behaviour. Where there were no alternative rises would simply mean increases in costs. It was felt that the impact on the construction sector would be significant, where large, heavy vehicles had no alternatives to diesel. Increased costs would be passed on to the customers through fuel price escalators in contracts therefore leading to inflation.

It was suggested that many of the engines operating on red diesel could be made significantly cleaner through regulation.

Concern was expressed regarding proposals to give delegated powers to local authorities to administer non-road mobile machinery standards.

FTA needs to ensure the Government is aware of the uses of Red Diesel and, critically, understand where no alternative exists.

Any proposals to remove the exemption from an activity must be done in consultation with the users of that activity, and with a road map for 'greening' the use.

Manufacturers must improve emission standards of auxiliary engines to be closer to that of road-going vehicles; government must regulate if necessary.

ROAD/18/31

HGV testing

Council was updated on recent developments regarding availability of HGV annual tests, including a recent industry roundtable meeting with DVSA. It was reported that the meeting had been positive, with DVSA demonstrating a better recognition of the problems test customers were facing, agreement to identify metrics which would provide a better picture, and agreement to conduct a

review of testing incorporating investigations of measures which would require legislative amendment.

Members suggested that DVSA was failing to properly use its Vehicle Standards Assessors efficiently and suggested that FTA should pursue the Agency to provide metrics for their own utilisation figures.

It was thought that the Vehicle Standards Assessor's (VSA) remuneration package was not attractive enough so could not attract staff - however, local authorities appeared to have greater leeway, and it was questioned whether authorities' existing facilities could be employed to address the difficulties. It was confirmed that, because VSAs act under the authority of the Secretary of State they must be directly employed, although DVSA was continuing to investigate all such options.

ROAD/18/32 Improving HGV driver facilities

Council was updated on a report published by the Government on the availability of HGV parking across the network, and also on a recent announcement regarding Operation Stack on the M20 and a lorry holding area in Kent.

ROAD/18/33 London Direct Vision Standard

Council was updated on developments concerning TfL's Direct Vision Standard.

ROAD/18/34 Any other business

Council was informed that this would be Eric Fisher's (DS Smith) last Road Freight Council meeting before retiring. The Chair thanked Eric for his contributions to FTA across the years and wished him well.

ROAD/18/35 Date of next meeting

The next meeting of Road Freight Council will take place on Thursday 8 November 2018 at One Great George St, Westminster, London, SW1P 3AA.



Freight Transport Association

Rail Freight Council

Minutes of the meeting held at One Great George Street, London, SW1P 3AA on
Thursday 5 July 2018 at 09:30

PRESENT)
IN ATTENDANCE) As recorded in the minute book
APOLOGIES)

RAIL/18/21 Apologies and personnel, competition law and compliance

Attendance and apologies noted, including that the VTG golf day was taking place today. Christopher Snelling, Head of UK Policy at FTA was introduced to the group. Members attention was drawn to competition law policy in the policy report.

RAIL/18/22 Minutes and matters arising

The minutes of the last meeting were reviewed and approved.

Multi-modal approach to planning

Highways England and NR were postponed from this meeting with plans to reschedule

Air quality/emissions

Aether gave written update to meeting. Work continues on proof of concept after which a funding prospectus will be written. Aether reported on good discussions with Freightliner (Lindsay Durham, Head of Rail Strategy) and Paul Smart (European COO) with visits to Southampton and Crewe planned to download trip data.

The group discussed some key outcomes for the Aether emissions measurement work: the data that is collected must be comparable to other modes; FTA as an independent body should release the data to keep its credibility; thought is needed on how emissions should be monitored ie for the rail journey alone or including the emissions from vehicles used to support the journey at the depot

Wider emissions issues were also discussed for longer-term FTA involvement: emissions should be assessed for the whole supply chain with a roadmap for reducing logistics emission rather than targets for each mode; retrofit options for rail will need to be considered; electrification of rail is important for local emissions and carbon; rail should be considered in the formulation of clean air zones.

Action: Christopher Snelling, Head of UK Policy at FTA, will become more involved in this work for FTA to provide environmental expertise and ensure it is linked to emissions work on other modes.

RAIL/18/23

Secretary's report

Political engagement

Members were given an update on the political meetings to discuss the new rail policy document. These included meetings with: Steve Double MP (Transport select committee member); Ian Mears MP (Chair of APPG on Rail in the North); James McGowan (Chief of Staff to Andy McDonald MP). FTA had been due to meet Martin Vickers MP (meeting organised but then cancelled as he stood down from Transport select committee)

Action: Members agreed that FTA should continue with the political engagement action plan but themes and priorities need to be agreed before this can be more forward.

Northern Rail Freight Connectivity projects

Members discussed rumours that rail freight has been dropped from Trans Pennine rail plan by TfN, and gave feedback on FTA's draft letter.

Action: FTA to send revised letter on the issue to SofS and CEO of TfN.

ORR PR18 draft determination

Members discussed proposals. Capping charges for the first two years would be welcomed the increase following is significant and challenging – and ambition would be CPI+1%. Similarly, although charges simplification is welcomed the monies raised from the charges which no longer exist result in higher variable charges. They also highlighted that if efficiencies aren't delivered at the end of the Control Period it will put pressure on future projects. Members asked whether it would be possible to legally challenge when the payback period is. There were also concerns about the biomass levy.

Action: FTA to respond to the consultation on PR18 draft determination and also the impact assessment.

Action: FTA to meet Chris Hemsley from ORR to discuss detail of their proposals.

ORR consultation on the management of enhancements

It was agreed that there was no need for FTA to respond to this consultation.

RAIL/18/24

NR rail freight performance

Guy Bates from Network Rail updated members on rail freight performance. Baseline performance is still above the regulatory FDM threshold despite challenges of the well-publicised passenger rail timetable change issues and exceptional weather events earlier this year.

The process for safeguarding strategic capacity paths is being scrutinised, as the recent timetable change process revealed some weaknesses in current protection afforded. Members are to raise any strategic capacity concerns directly with either Andy Saunders, Guy Bates (or Paul McMahon directly) at NR.

Action: Guy Bates to circulate slides, and to add graphs of absolute numbers for next time.

RAIL/18/25 **Red diesel call for evidence**

FTA presented some key messages in their proposed response to DEFRA's call for evidence, including raising concern that rail is part of the review. Members thought that switching from red to white diesel would only decrease rail and increase road usage, as well as being a cost to industry. The response to the consultation should suggest other ways of improving air quality.

Action: FTA to circulate draft response to members for comment before deadline of 24 June.

RAIL/18/26 **FTA Rail Council and rail activities**

FTA presented slides which set out how FTA aspires to be a more multi-modal association and asked for feedback on the types of rail activities FTA should be doing. Alex Veitch, Head of Global Policy for FTA joined the meeting for this session as similar sessions have taken place for water and air.

There was strong support for FTA taking a more joined up multi-modal approach to its work, particularly over common themes such as environment and infrastructure planning. Government departments' teams are organised as single modes so there is a role in helping them to think multimodally. A stronger role promoting the industry and educating politicians and potential senior-level customers about rail would also be welcomed, which would include more balanced coverage of the modes in FTA's messaging and media. There may be a need for a smaller more group to address technical issues (problems) for rail as well as wider thematic groups. Councils may need to be staggered or overlap – councils take place at the same time so difficult for members to address cross mode issues.

Action: FTA to feedback at next council meeting on firmer proposals.

RAIL/18/27 **Any other business**

The planned discussion on road user charging will take place at a future rail council meeting.

RAIL/18/28 **Date of next meeting**

The next meeting of Rail Freight Council will take place on Thursday 8 November 2018 at One Great George St, Westminster, London, SW1P 3AA.



Freight Transport Association

British Shippers' Council

Minutes of the meeting held at No 1 Great George Street, London, SW1P 3AA on
Thursday 5 July 2018

PRESENT)
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IN ATTENDANCE) As recorded in the minute book
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APOLOGIES)

BSC/18/10 Apologies and personnel

Apologies were taken as read and recorded in the minute book.

BSC/18/11 Minutes and matters arising

The minutes of the meeting held on 1 February 2017 were approved as a true and accurate record of the meeting with the following corrections:

BSC/18/12 Emerging issues for FTA involvement

Air

Members noted some pressure on capacity (particularly in the United States) and upward pressure on air freight rates

Brexit

Members noted that uncertainty around Brexit remains the key problem. One member was going to close a European warehouse but with Brexit coming they are instead keeping the capacity. Another member noted that while some maritime carriers are putting in customs capacity, they are not seeing the same plans being put in place by road hauliers; one large road haulier said they were not considering it at all.

Ports

All members using Felixstowe reported continued problems with the disruption caused by the introduction of a new IT system at the port. Many members depend on Felixstowe for the majority of their international trade. Problems include re-planning and associated difficulties around arranging inland haulage from other ports such as Southampton and London Gateway

Members noted that it would be useful to open a high-level dialogue with port of Felixstowe. BIFA have engaged and have not been able to secure compensation. FTA engagement that includes cargo owners might have a different outcome. Communications from the port has indicated the problem is likely to continue for

another 6-8 weeks, but there has been a lack of detailed info from the Port and there are rumours it could go on for longer.

Action – FTA to engagement with Felixstowe and report back to members on progress helping to resolve the issues.

Container shipping

Members noted that carriers have started charging Emergency Bunker Surcharges – which could lead into further low-sulphur fuel related charges in 2020. Two carriers told one member that the 2020 changes could see cost increases potentially in the triple digits. They will need to have it in their tanks by Sept 2019. What happened to scrubbers to reduce costs?

Action – FTA to brief out to members on the low sulphur fuel issue, including cost impacts and regulation; alternatives (scrubbers); fuel availability.

BSC/18/13

Update: Heathrow

FTA noted that the vote on Heathrow expansion had been taken and that MPs backed plans for a new north-west runway at Heathrow Airport. This paves the way for Heathrow Airport to submit a planning application for a new runway.

This is a significant step for plans to deliver much needed airport capacity in the UK and begins a long and detailed legal and planning process. FTA has been active for many years on this issue and played an important role in ensuring a positive vote.

Owing to FTA engagement, freight has become key public line for government in support of Heathrow expansion moving beyond expansion. Going forward FTA will engage closely with the development plans to ensure benefits for freight are delivered.

Members noted that there were already disruptions around Heathrow, and that construction of new cargo facilities is delayed.

FTA also noted that a key issue going forward will be the details around restrictions on early morning arrivals and night operations more generally which will happen as a condition of planning consent. Detailed discussions will take place at the FTA Air Freight Group which shippers are welcome to join.

BSC/18/14

For Decision: Maritime Consortia Block Exemption

FTA presented the paper in the meeting pack to explain the context of the EU Consortia Block Exemption regulation and present options for the FTA position.

Members agreed that FTA should maintain its position that the Consortia BER should be renewed.

BSC/18/15

Brexit planning and focus on Customs

FTA presented on the interactions between AEO C and Customs facilitations available to business, and which of these could be the priorities to help trade flow more smoothly after Brexit.

Members raised questions around the likely number of applications for AEO, and whether HMRC resources could cope. Members reporting that there are already long processing times. In the past HMRC have been quite willing to work on applications with people but due to resource this isn't happening

FTA also presented the outline of a new project commissioned by HMRC which is exploring what real-time temperature control data is available and currently used in the logistics industry. Several members agreed to have a conversation with HMRC officials working on the project.

BSC/18/16 Update from GSF annual meeting

FTA provided an update following the annual Global Shippers' Forum event, which took place in Melbourne in May 2018. Members are referred to the 1st February 2018 for the full written update.

BSC/18/17 Secretary's report

Taken as read. No comments from members.

Date of next meeting

The next meeting of the British Shippers Council will take place on Thursday 8 November 2018 at One Great George Street, Westminster, London, SW1P 3AA.



Freight Transport Association

Freight Transport Council

Minutes of the meeting held at One Great George Street, London, SW1P 3AA on Thursday 5 July 2018 at 12:30

PRESENT)	
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IN ATTENDANCE)	As recorded in the minute book
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APOLOGIES)	

FTC/18/16 Apologies and personnel

Apologies from David Wells, CEO FTA, and Leigh Pomlett, President FTA, were noted.

FTC/18/17 Minutes and matters arising

The minutes of the meeting held on 9 May 2018 were adopted.

FTC/18/18 Chief Executive's report

James Hookham, Deputy CEO FTA, gave an update on: FTA trading; parliamentary activity; FTA reports and events; and global and European policy

FTC/18/19 Brexit update

The meeting approved the proposal that FTA should not respond to DfT proposed basis for rationing of international haulage permits in the event they are needed and demand exceeds supply following Brexit. This would constitute FTA having to choose between members, and should this situation occur government is likely to invoke national emergency decision making procedures.

The meeting advised on the process it would like FTA to follow should a 'no deal' Brexit in March 2019 become a more likely outcome in UK-EU negotiations than a transitional period to December 2020. Should FTA executives judge that that this is a more likely outcome it should consult with the FTA Board and if in agreement the President shall call a special meeting of chairs of regional and national Freight Councils to advise on whether to go public with this message.

FTC/18/20 Any other business

No further issues were raised by members

FTC/18/15 Date of next meeting

The next meeting of Road Freight Council will take place on Thursday 8 November 2018 at One Great George St, Westminster, London, SW1P 3AA

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