

**The BSEC MoU on Facilitation of Road Transport
of Goods**



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Contents

1	INTRODUCTION	4
1.1	Background	4
1.2	Aim of the study	6
2	DEVELOPMENTS IN TRADE AND TRANSPORT IN THE BLACK SEA AREA.	7
2.1	Summary and conclusions	7
2.2	Recent trends in trade and transport	8
2.3	Trade and transport forecast	9
2.4	World Financial crisis and their influence	11
3	IDENTIFICATION OF MAJOR CONSTRAINTS FOR ROAD TRANSPORT IN THE BSEC AREA	13
4	ALTERNATIVE WAYS TO IMPLEMENT THE MOU	14
4.1	Complicated system of transport permits based on bilateral agreements between countries in the region	14
4.2	Long and unpredictable waiting times at borders	20
4.3	Multiple weighing of vehicles and related corruption	27
4.4	Visa procedures	31
4.5	Lack of harmonisation of customs procedures	34
4.6	Restrictions on litres of fuel in the tanks of vehicles	38
4.7	Road safety	39
4.8	Charging policies and the lack of information	43
4.9	Underdeveloped intermodal transport (RoRo / RoLa)	48
4.10	UN Conventions	50
4.11	Social regulations on driving and rest time	53
4.12	EU Proposed harmonisation of the Agreement with EU Driving and Rest Time Rules	58
4.13	Dangerous goods, perishable goods	63

1 Introduction

1.1 Background

The BSEC Memorandum of Understanding on road transport facilitation

In the framework of the Organization of the Black Sea Economic Cooperation, the Governments (Executive Authorities) of the BSEC Member States signed a Memorandum of Understanding (MoU) on the facilitation of road transport of goods in the BSEC region.

The aim of the MoU is to enhance co-operation among the Governments of the BSEC Member States towards the harmonization of certain key-elements concerning international road transport of goods in the region, in line with internationally accepted agreements, as well as related rules and standards, inter alia by simplifying and harmonizing procedures, formalities and documentation. This co-operation will mainly focus on the development of policies incorporating common principles, actions of an institutional, regulatory and economic character as well as the means of implementing and monitoring them.

In the MoU the parties acknowledge the existence of major deficiencies in the operation of international road transport in the Black Sea region which are not only due to a lack of adequate infrastructure, but also to institutional, regulatory and economic barriers.

The MoU was signed in 2002 by 10 countries. It entered into force in July 2006, Serbia and Russia joined the MoU in 2007. Today the MoU has 12 signatories and entered into force for 11 countries excluding Russia.

Highlights of the MoU

Highlights of the MoU are the articles that are focused on objectives in relation to the facilitation of road transport in the BSEC area:

Article 3: PROGRESSIVE LIBERALIZATION OF INTERNATIONAL ROAD TRANSPORT OF GOODS

1. The Parties shall take coordinated steps towards gradual liberalization of international road transport of goods on the basis of removing barriers hampering mutually beneficial participation of road transport operators in bilateral and transit transportation.
2. Third countries and cabotage transport operations are not the subject of this MoU.
3. The Parties shall introduce and promote efficient and adequate intermodal transport services to ensure additional and complementary capacities in international road transport of goods on certain sections of major international transport corridors in the BSEC region.

Article 4: ACCESSION TO INTERNATIONAL AGREEMENTS –
 HARMONIZATION OF MAXIMUM PERMISSIBLE WEIGHTS AND
 DIMENSIONS, TRANSPORTATION O DANGEROUS GOODS AND
 SOCIAL REGULATIONS

The parties shall endeavour to accede, as soon as possible, to agreements and AnnexConventions established under the auspices of the UN/ECE, as contained in annex I to this MoU, as well as to adapt their national legislation to certain aspects derived from the European community regulatory framework. The aforementioned undertakings mainly concern the maximum permissible weights and dimensions of goods road vehicles in international traffic, transport of dangerous goods as well as the application of certain social regulations on driving time, etc.

Article 5: CHARGING POLICIES - INFORMATION SYSTEM ON CHARGES
 RELATED TO ROAD TRANSPORT

1. The Parties shall place particular importance on rationalization and gradual harmonization of charging policies for international road transport of goods. In this framework, they shall gradually incorporate into the respective charging policies, the principles of cost relatedness, non-discrimination and transparency.
2. The Parties recognizing the importance of the availability of complete, accurate and up-to-date information on tolls and user charges related to the use of the national road network by foreign operators, might consider the establishment of an information system to provide such information to all interested users.
3. At the same time, the Parties reserve their sovereign rights to apply payment of tolls for using roads, tunnels and bridges on the principles of non-discrimination of road carriers from the States that are parties to this MoU.

Article 6: FACILITATION OF VISA PROCEDURES FOR PROFESSIONAL
 DRIVERS

1. The Parties shall encourage their relevant national authorities examine possibilities to facilitate the granting of visa for professional drivers engaged in international road transport aiming at simplifying the formalities, reducing the time required to obtain visa and issuing multiple entry visa valid for one year without prejudice to other existing agreements.
2. The Parties in cooperation with the relevant national authorities, responsible for consular affairs, shall consider possibility of elaboration of a multilateral agreement on simplifying visa formalities for professional drivers engaged in international road transport of goods.

The Steering Committee

In order to ensure adequate co-ordination and monitoring of the implementation of the provisions of this MoU, a Steering Committee on the Facilitation of International Transport of Goods was established under the auspices of the BSEC Working Group on Transport. This Steering Committee met in 2007 and in 2008, and agreed on a draft time table for the implementation of the MoU which could be amended if it is so decided by the Steering Committee.

1.2 Aim of the study

Identify alternatives for the implementation of the MoU

To facilitate the work of the Steering Committee the BSEC organisation has asked NEA to prepare a study report aiming to identify and propose alternative ways, methods, projects and activities for actual implementation of the BSEC MoU on Facilitation of Road Transport of Goods in the most efficient way for successful economic cooperation around the Black Sea basin.

Methodology

In order to identify alternative ways to implement the MoU NEA first identified the main problems for road transport in the BSEC region. This was done using desk research and interviews with main stakeholders.

The study report aims to present expert' views on facilitation of road transport on the basis of the main provisions of the MoU and the problems identified. The alternatives are based on best practices and experiences in other regions as well as past experiences in similar fields. Where possible each alternative will be presented with advantages and disadvantages in terms of implementation or expected outcome and effect.

Contents of the report

In chapter 2 an overall evaluation of developments in trade and transport within the region will be presented. The focus will be on the development of trade and transport during the last decade, and the expected developments in the coming decade.

Chapter 3 is focused on problem identification related to road transport in the BSEC region.

In chapter 4 alternative ways, methods, projects and activities are discussed that are expected to contribute to the solution of the problems identified in chapter 3.

2 Developments in trade and transport in the Black Sea area.

2.1 Summary and conclusions

In the period 1995 – 2005 trade within the BSEC area and between BSEC countries and the rest of the world has grown considerably.

A forecast of transport flows made by NEA shows that for the period 2005 – 2020 an even stronger growth of trade is expected within the BSEC area as well as in trade between BSEC countries and other countries.

The next table summarises the growth of exports and imports in the period 1995 – 2005 and the forecast for the period 2005 – 2020.

Table 2.1: Exports and imports of BSEC countries, historical and forecasted compound annual growth rates, based on tonnes

	Historic growth rates 2005 - 1995		Forecasted growth rates 2020 -2005	
	Exports	Imports	Exports	Imports
BSEC	4.1	4.1	7.6	7.6
CE Europe	2.3	6.9	8.1	14.1
Mediterranean	6.9	4.3	1.6	3.8
Middle East	9.4	0.4	9.2	4.3
Central Asia	6.1	4.9	14.4	18.6
N.W. Europe	7.1	6.4	3.4	6.6
SE Asia	9.6	9.9	11.8	9.6
Non Med Africa	9.2	6.0	10.5	4.2
Americas	10.0	4.8	3.4	5.9
Oceania	13.1	-1.1	6.4	5.5
TOTAL	6.0	4.5	6.7	10.0

Source: NEA

In the period 1995 – 2005 trade between BSEC countries grew at 4.1% per year, while forecasted growth rates for the period 2005 – 2020 are even higher with 7.6% per year.

In the period 1995-2005 exports of the BSEC countries in total grew with 6.0% per year, while imports grew with 4.5%. In the period till 2020 total exports of BSEC countries are expected to grow with in total 6.7% per year and imports with 10.0% per year.

With strong trade growth between BSEC countries and strong trade growth between BSEC countries and other regions transport in the region faces considerable challenges. These challenges have to be met by all transport modes in the region, including maritime transport in the Black Sea, and road and rail transport.

2.2 Recent trends in trade and transport

The following tables show the changes taking place in the geographical patterns of trade between 1995, 2000 and 2005.

Trade flows have been identified between the core Black Sea region, consisting of the 12 BSEC countries, and the rest of the world divided into blocs:

- The Black Sea region includes the 12 BSEC countries: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Turkey and Ukraine.
- CE Europe (Central and Eastern Europe) includes the European countries directly north of the Black Sea region including Poland and the Baltic countries.
- The Mediterranean region consists of the European and African countries bordering the Mediterranean, but excluding the Middle East and France.
- Mid East contains the Middle Eastern countries, including the Gulf countries, and extending Eastwards as far as Iran.
- Central Asia contains the countries in Central Asia.
- NW Europe consists of the remaining North Sea European countries including Germany, the UK, France and the Nordic region.
- SE Asia contains the majority of Asian destinations, including China, ASEAN and India.
- Non Med Africa contains non mediterranean African countries.
- Americas contains North and South America
- The Rest of the World category includes sub-Saharan Africa, the Americas and Australasia.

The following tables show exports and imports from the Black Sea region in million tonnes and annual growth rates.

Table 2.2: Exports of the 12 BSEC countries, by destination regions, mio tonnes

	1995	1995 Share	2000	2000 Share	2005	2005 Share	Annual growth 1995-2005
BSEC	124	21.5	162	20.8	185	18.0	4.1
CE Europe	132	22.8	155	19.9	165	16.0	2.3
Mediterranean	83	14.4	114	14.6	162	15.8	6.9
Middle East	15	2.5	19	2.5	36	3.5	9.4
Central Asia	19	3.4	23	3.0	35	3.4	6.1
N.W. Europe	133	23.0	180	23.1	264	25.7	7.1
SE Asia	44	7.7	69	8.8	111	10.7	9.6
Non Med Africa	3	0.5	5	0.6	6	0.6	9.2
Americas	25	4.3	53	6.8	64	6.2	10.0
Oceania	0	0.0	0	0.0	0	0.0	13.1
TOTAL	577	100.0	780	100.0	1.030	100.0	6.0

Source: WTO Trade Statistics, 2007

Export tonnes are growing rapidly with an annual growth rate of 6% between 1995 and 2005. The largest geographical sectors are N.W. Europe (25.7%), followed by the BSEC countries (18%), CE Europe (16%) and the Mediterranean (15.8%). Deep sea markets in South East Asia and towards the Atlantic are relatively small, but gaining share slowly. All markets are growing in absolute terms, but the relative shares are fairly constant, with a slight shift away from the intra-regional flows.

Table 2.3: Imports of the 12 BSEC countries, by origin regions, mio tonnes.

	1995	1995 Share	2000	2000 Share	2005	2005 Share	Annual growth 1995-2005
BSEC	124	41	162	41	185	39	4.1
CE Europe	14	5	19	5	28	6	6.9
Mediterranean	24	8	33	8	37	8	4.3
Middle East	29	10	28	7	30	6	0.4
Central Asia	47	15	70	18	76	16	4.9
N.W. Europe	22	7	29	7	41	9	6.4
SE Asia	9	3	12	3	23	5	9.9
Non Med Africa	5	2	7	2	10	2	6.0
Americas	24	8	31	8	39	8	4.8
Oceania	5	2	7	2	5	1	-1.1
TOTAL	305	100	398	100	475	100	4.5

Source: WTO Trade Statistics, 2007

Import tonnes have shown the lowest rate of growth with an annual rate of 4.5% between 1995 and 2005. Over 39% of imported tonnages come from within the Black Sea region, with relatively little coming from deep sea origins. However, the South East Asian market is growing strongly.

2.3 Trade and transport forecast

In the following tables the results of the trade forecasts are shown. They apply to the 12 BSEC countries.

The trading partner regions are also directly comparable with the tables in the previous chapter:

- The Black Sea region includes the 12 BSEC countries: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Turkey and Ukraine.
- CE Europe (Central and Eastern Europe) includes the European countries directly north of the Black Sea region including Poland and the Baltic countries.
- The Mediterranean region consists of the European and African countries bordering the Mediterranean, but excluding the Middle East and France.
- Mid East contains the Middle Eastern countries, including the Gulf countries, and extending Eastwards as far as Iran.

- Central Asia contains the countries in Central Asia.
- NW Europe consists of the remaining North Sea European countries including Germany, the UK, France and the Nordic region.
- SE Asia contains the majority of Asian destinations, including China, ASEAN and India.
- Non Med Africa contains non mediterranean African countries.
- Americas contains North and South America
- The Rest of the World category includes sub-Saharan Africa, the Americas and Australasia.

Table 2.4: Exports of the 12 BSEC countries, by destination regions, 2005-2020, mio tonnes

	2005	2005 Share	2020	2020 share	Annual growth 2005 - 2020 (%)
BSEC	185	18	385	20	7.6
CE Europe	165	16	360	18	8.1
Mediterranean	162	16	190	10	1.6
Middle East	36	3	87	4	9.2
Central Asia	35	3	135	7	14.4
N.W. Europe	264	26	368	19	3.4
SE Asia	111	11	338	17	11.8
Non Med Africa	6	1	17	1	10.5
Americas	64	6	89	5	3.4
Oceania	0	0	1	0	6.4
TOTAL	1,030	100	1,969	100	6.7

Source: NEA

Export tonnes are growing rapidly with an annual growth rate of 6.7% between 2005 and 2020. The largest geographical sector in 2020 is the BSEC (20%) region itself, followed by N.W. Europe (19%), CE Europe (18%) and SE Asia (17%). The strongest annual growth comes from Central Asia, the annual growth of exports within the BSEC region is 7.6%.

Table 2.5: Imports of the 12 BSEC countries, by origin regions, 2005-2020, mio tonnes

.	2005	2005 Share	2020	2020 share	Annual growth 2005 - 2020 (%)
BSEC	185	39	385	31	7.6
CE Europe	28	6	106	9	14.1
Mediterranean	37	8	54	4	3.8
Middle East	30	6	46	4	4.3
Central Asia	76	16	418	34	18.6
N.W. Europe	41	9	79	6	6.6
SE Asia	23	5	58	5	9.6
Non Med Africa	10	2	15	1	4.2
Americas	39	8	69	6	5.9
Oceania	5	1	8	1	5.5
TOTAL	475	100	1,236	100	10.0

Source: NEA

Import tonnes are growing even more with an annual growth rate of 10.0% between 2005 and 2020. The largest geographical sector in 2020 is the Central Asia region (34%), followed by the BSEC region itself. The strongest annual growth comes from Central Asia, the annual growth of imports within the BSEC region is 7.6%.

Historical and forecast growth rates are summarised below.

Table 2.6: Exports and imports of BSEC countries, historical and forecasted compound annual growth rates, based on tonnes

	Historic growth rates 2005 - 1995		Forecasted growth rates 2020 -2005	
	Exports	Imports	Exports	Imports
BSEC	4.1	4.1	7.6	7.6
CE Europe	2.3	6.9	8.1	14.1
Mediterranean	6.9	4.3	1.6	3.8
Middle East	9.4	0.4	9.2	4.3
Central Asia	6.1	4.9	14.4	18.6
N.W. Europe	7.1	6.4	3.4	6.6
SE Asia	9.6	9.9	11.8	9.6
Non Med Africa	9.2	6.0	10.5	4.2
Americas	10.0	4.8	3.4	5.9
Oceania	13.1	-1.1	6.4	5.5
TOTAL	6.0	4.5	6.7	10.0

With trade between BSEC countries growing with 7.6% per year till 2020 and total exports and imports of BSEC countries growing at 6.7% and 10.0% per year, transport in the region faces considerable challenges. These challenges have to be met by all transport modes in the region, including maritime transport in the Black Sea, and road and rail transport.

2.4 World Financial crisis and their influence

At the end of 2008 the economy finds itself in a hectic period. The credit crisis is having a great effect on the transport sector. Through a diversity of national governments and the EU, fitting measures have been taken to keep the financial world afloat. It is immediately clear to the consumer that the financial organizations are not as strong and solid as was first thought. On top of that the (consumer) trust has further decreased due to negative press in the media. Government policy is focussing its attention on restoring this trust. Large sums of money are being freed up to stimulate the economy.

A special EU-regulation was adopted for this in 1990 by the EU. In short this regulation stipulates that when there is a clear overcapacity in the sector companies cannot obtain licenses over a 6-month period to expand their number of vehicles. More and more countries abroad are convinced that this is a fitting solution for the current problem.

However, one could also wonder that when and if this regulation is employed, will it be in time. Perhaps it would be better to introduce a European stand still regulation in the sector. Companies whose vehicles are at a stand still will receive a compensation. Because of this, in addition, an unemployment allowance can be paid to drivers who are temporarily out of work. For private enterprises a similar possibility will need to be established. The IRU is pre-eminently the organization that may initiate the implementation of such a regulation.

The most economic prospects are looking grim for the year 2009. The economy is in a state of recession in most countries. This means that next year there will also be a decrease in transport performance. There are however, also optimistic notes that indicate that when the (consumer) trust has been restored there will be a refreshed demand for postponed investments. When this happens the transport sector will be the first to notice the change. The years 2008 and 2009 will be difficult ones for the transport sector.

It is difficult to estimate the impact of the crisis on economies in the Black Sea region and recommend specific governmental support measures for road transport in this part of the world

In any case, now, more than ever, companies will need to monitor their costs. Herewith, more attention will also need to be paid to cooperation so that efficiency can be increased. Let's hope that the pessimists are wrong and that the economic recovery will timely set in 2009.

3 Identification of major constraints for road transport in the BSEC area

On the basis of desk research and interviews an inventory was made of major constraints in road transport in the BSEC region. The identified major obstacles causing inefficiencies and delays in road transportation in the BSEC countries are the following¹:

- 1) Problems related to border crossing
 - a) Complicated system of transport permits based on bilateral agreements between countries in the region
 - b) Long and unpredictable waiting times at borders
 - c) Multiple weighing of vehicles and related corruption
 - d) Complicated visa procedures
 - e) Lack of harmonisation of customs procedures
 - f) Restrictions on litres of fuel in the tanks of vehicles

- 2) Other problems
 - a) Road safety
 - b) Wide variety of charging policies and lack of information
 - c) Underdeveloped intermodal transport
 - d) UN Conventions not signed and/or implemented
 - e) Varying social regulations
 - f) Different legal framework for transport of dangerous goods and perishable goods

In the following chapter these problems will be discussed in more details, and alternative ways to overcome these problems will be presented.

¹ The order of appearance of problems in the list is not related to the weight of the problem, and a number of problems mentioned are interrelated.

4 Alternative ways to implement the MoU

4.1 Complicated system of transport permits based on bilateral agreements between countries in the region

Problem identification

Background

The European road transport market is still far from completely liberalised. Though in many countries access to the profession in road transport is based on qualitative and not on quantitative criteria, access to the market is in many parts in Europe still restricted, and dependent on bilateral agreements between countries. In such bilateral agreements countries usually agree to exchange bilateral, transit and/or third country trip permits. In this way countries are able to control the market share of their national hauliers in international bilateral transport relations, and the system gives countries possibilities to control the quality of foreign drivers and trucks entering their country.

The disadvantages of such a restricted trip permit regime include:

- Countries have to regularly negotiate new bilateral agreements. In a situation with 12 countries this could involve in theory up to 66 bilateral agreements yearly.
- Costs associated with exchanging and distributing trip permits among hauliers, especially in situations where demand for permits exceeds supply, and countries have to design procedures to make sure the available permits are being used by the hauliers that most need them (giving room for dishonest practices).
- If there is a shortage of trip permits, trips may not be executed efficiently or not at all, with negative consequences for the utilisation rate of vehicle fleets, and a negative influence on trade and therefore on economic development.
- Administrative burden for hauliers who have to deal with numerous different trip permits, because most countries issue three types of permits (bilateral transport, transit transport and third country transport). Within these three categories it is also possible that subcategories exist in the sense that some permits require additional payment, while others are more or less free of charge.

Within Europe several initiatives have been taken to limit the market restrictions due to bilateral trip permit systems.

After decades of exchanging large numbers of numerous different types of bilateral trip permits¹, with the establishment of the Single European market in 1993 all bilateral agreements between EU Member States were abolished.

All bilateral trip permits were abandoned and the so-called Euro license was introduced, enabling EU hauliers to carry out bilateral, transit and third country transport within the EU on one license and without quantitative restrictions. Another initiative to gradually liberalise the European transport market came from the ECMT², which introduced the ECMT transport license, enabling hauliers from the 42 ECMT Member States to carry out more or less unrestricted bilateral and third country transport within the territory of the ECMT Member States. However, the number of ECMT licenses available for countries was and still is limited.

The BSEC situation

At least most of the disadvantages as described occur in the BSEC region because road transport in the area is subject to numerous bilateral agreements between BSEC Member States. From figure 4 it can be calculated that the 12 BSEC countries issued 161 different trip permits for bilateral, transit and third country transport within the region in 2006, and 100 different trip permits for bilateral and transit transport within the region.

¹ As an example, before 1993 Dutch hauliers used hundreds of thousands of French trip permits yearly that came in about 5 different types (differentiated by French region or time), they used about 600,000 German trip permits, varying from permits for one trip to permits for transit and third country, and monthly and three-monthly trip licences, and numerous different permits for all other countries.

² European Conference of Ministers of Transport

Figure 4. Bilateral quota of permits in the BSEC region, 2006

sample of combined data

BILATERAL QUOTA OF PERMITS IN THE BSEC REGION IN 2006

	Type	AL	AR	AZ	BG	GE	GR	MD	RO	RU	SCG	TR	UA	BSEC	Obs.
AL	Direct	-	-	500	L	-	36000	-	500	-	-	L	-	37000 u	BSEC Region Total: 603,690 u * 199,000 t ** 61,235 3 rd countr
	Transit	X	-	-	500	-	-	-	-	-	-	L	-	500 t	
	3 rd Country	-	-	200	-	-	-	-	-	-	-	600	-	800	
AR	Direct	-	X	-	100	2000	30	-	50	L	-	-	100	2280 u	* u = universal ** t = transit L = Liberalized Direct Transport :
	Transit	-	-	-	-	-	-	-	-	L	-	-	-	-	
	3 rd Country	-	-	-	-	-	-	-	-	25	-	-	-	25	
AZ	Direct	-	-	-	100	600	50	100	100	4000	150	2500	250	1850 u	AL - BG, TR BG - AL, GR, TR GR - BG MD - RO, RU, TR RO - MD, TR RU - AR, MD, UA TR - AL, BG, MI RO UA - RU
	Transit	-	-	X	-	-	-	-	-	-	-	-	130	480	
	3 rd Country	-	-	-	-	-	-	50	-	300	-	-	-	-	
BG	Direct	L	-	-	-	-	-	-	-	1000	-	L	-	95250 u	L = Liberalized Direct Transport :
	Transit	500	100	100	X	250	L	6500	30000	-	45000	L	3300	500 t	
	3 rd Country	-	-	-	-	-	-	150	1000	2750	250	600	500	5750	
GE	Direct	-	30	1500	250	X	500	50	50	-	-	-	6000	600	8980 u
	Transit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	3 rd Country	-	-	-	-	-	-	-	-	-	-	-	-	400	400
GR	Direct	36000	30	50	L	500	X	700	18000	1000	28000	-	42000	1150	127430 u
	Transit	-	-	-	L	-	-	-	-	-	3000	-	-	-	3000 t
	3 rd Country	-	-	-	150	-	-	-	100	150	-	-	55	605	605
MD	Direct	-	-	100	6500	50	700	X	-	L	L	-	L	29000	36350 u
	Transit	-	-	-	-	-	-	-	-	L	L	-	-	-	-
	3 rd Country	-	-	50	1000	-	-	-	1100	850	-	200	5000	8200	8200
RO	Direct	500	50	100	30000	50	15000	L	X	3600	14000	L	7000	70300 u	RO UA - RU
	Transit	500	-	-	-	-	-	L	-	500	36000	-	-	37000 t	
	3 rd Country	-	-	-	2500	-	100	1100	-	50	500	-	500	4650	
RU	Direct	-	L	4000	10000	1000	1000	L	3600	X	1000	5000	-	L	25600 u
	Transit	-	L	-	-	-	-	-	-	-	-	-	-	10000	10000 t
	3 rd Country	-	25	300	200	200	150	850	50	-	-	1500	9500	12775	12775
SCG	Direct	-	-	-	45000	-	8000	-	14000	1000	-	7000	1500	79500 u	79500 u 105000 t 4900
	Transit	3000	-	-	-	-	50000	-	-	-	X	55000	500	105000 t	
	3 rd Country	300	-	-	600	-	-	-	500	-	-	500	3000	4900	
TR	Direct	L	-	3000	L	6000	40000	L	L	7000	15000	X	1500	62500 u	62500 u 30000 t 6800
	Transit	L	-	-	L	-	-	L	12000	5000	15000	-	3000	30000 t	
	3 rd Country	600	-	-	500	-	-	200	1750	1500	500	-	1750	6800	
UA	Direct	-	-	-	-	-	-	-	-	L	-	-	1500	56650 u	56650 u 13000 t 15850
	Transit	-	150	250	12500	600	1150	29000	10000	1000	1500	-	X	13000 t	
	3 rd Country	-	-	130	500	400	55	2700	500	9500	300	1750	-	15850	

Apart from the complexity of this situation for road hauliers and the obvious administrative burden for both hauliers and governments, it appears that the development of the number of issued trip permits hasn't followed the strong growth of trade and shortages seem to occur on some transport relations¹. This might hinder trade and economic development of the region.

Because all BSEC countries are members of ECMT, ECMT licenses could in principle solve any problems caused by a lack of bilateral permits. But the number of ECMT licenses available is limited, and political support for an increase of the total quota is lacking. Especially since the accession of the 10 new EU Member States in 2004 and the accession of Romania and Bulgaria in 2007 political support from a large number of EU Member States is lacking to increase the total quota.

In summary, in the current situation road transport in the BSEC area is hindered by a complex system of bilateral agreements and corresponding trip permit systems.

¹ It is not completely clear whether in the current situation there is a lack of permits on one or more transport relations, and trade is indeed hindered by a lack of transport permits, but BSEC-URTA meetings seem to suggest this.

This situation is worrying given the strong growth of trade in the last decade, the expected strong growth of trade in the period till 2020, and the problems that now and then occur between BSEC countries in the area of road transport.

Before deciding on solutions, it is recommended to first make up an inventory of where problems due to a lack of permits occur and how big these problems are.

The challenge for BSEC Member States is to design systems that minimise administrative burdens for both hauliers and governments, and enable road transport to accommodate the strong growing trade in the region.

Alternative solutions¹

In principle three alternatives seem available: gradually liberalise the market by slowly admitting free bilateral and transit transport, continuing with bilateral agreements or introducing multilateral transport licenses.

Alternative A *Gradually liberalise road transport by admitting free bilateral and transit transport*

Figure 4 showed that for quite a number of transport relations transport is already free. BSEC countries could agree on a schedule (timetable) to free more markets from the permit system.

Advantage

- A simple solution that stimulates all BSEC countries to act in the same way at the same time.

Disadvantage

- The time schedule could be set in such a way that it still would take years to liberalise the BSEC market.

Alternative B *The current bilateral systems continue to exist, but the main focus of the systems should be to accommodate trade flows.*

To better accommodate trade flows, the development of the total number of permits available for transport between two countries should be made dependent on the development of (road transport based) trade between these two countries. Through negotiations the countries can decide on how to split the total number of licenses between their hauliers.

Advantage

- Total number of licenses should accommodate trade.

¹ These alternatives are focused on solving problems with bilateral and transit transport, and not on third country transport.

Disadvantage

- Administrative burden for hauliers and governments continue to exist
- Trade between country A and B can be hindered by a lack of transit permits from country C.

Alternative C ***The current bilateral systems are replaced by a multilateral system. Within this option three alternatives exist.***

Alternative C1 ***Introduce within the ECMT system additional licenses which can only be used for bilateral and transit transport within the BSEC Member States.***

Advantage

- Lower administrative burden for both haulier and governments.
- Relatively easy to implement if the ECMT is willing to co-operate.

Disadvantage

- Non-BSEC ECMT Member States have influence on the number of licenses.
- Fewer possibilities to shape the system by BSEC Member States.

Alternative C2 ***Create a BSEC multilateral trip permit system with all BSEC Member States***

All bilateral trip permits are to be replaced by a so-called BSEC license, enabling BSEC hauliers to carry out bilateral and transit within the BSEC region on one license. The issued number of these licenses should be gradually increased by the Steering Committee thus leading to elimination of the quantitative restrictions.

Advantage

- The system replaces the complex and costly bilateral systems and lowers administrative burdens
- The system can be shaped by the BSEC Member States. For instance, like in the ECMT system the number of licenses available for a country could be related to the state of the vehicle fleet, or other qualitative criteria regarding the driver and/or the vehicle.
- The development of the quota will be decided by BSEC Member States.
- The development of the quota could be made dependent on progress of BSEC countries in the field of internationally accepted standards for road safety, road worthiness of vehicles and social provisions.

Disadvantage

- Also a multilateral system doesn't guarantee that road transport is able to accommodate trade because this depends on the number of multilateral licenses that will be made available.

Alternative C3 *Create a BSEC multilateral trip permit system with BSEC Member States that want to participate*

All bilateral trip permits of concerned countries are to be replaced by a multiple license, enabling those participant countries hauliers to carry out bilateral and transit within part of BSEC region on one license and without quantitative restrictions.

Advantage

- The system replaces the complex and costly bilateral systems and lowers administrative burdens

Disadvantage

- It should be taken into account that transit problems with non-participating countries could reduce the benefits of a multilateral system.

Alternative C 4 *Create a BSEC multilateral trip permit with BSEC Members States that want to participate and agree each year on number of multilateral licences*

Countries willing to set up a multilateral trip permit system start with distribution of multilateral licences. The countries start with distribution of "x" numbers of multilateral licences for transit and direct transport. Each year or for longer periods the countries negotiate on the increasing or decreasing of numbers of the licences and deciding on allowing new comers countries to join the system.

These countries will maintain the bilateral exchange of permits in order to allow companies which will not get a multilateral licence to perform their operations.

Advantage

- The system replaces the complex and costly bilateral systems and lowers administrative burdens
- The system can be shaped by the participating countries. For instance, like in the ECMT system the number of licenses available for a country could be related to the state of the vehicle fleet, or other qualitative criteria regarding the driver and/or the vehicle. Thus the system could include incentives for the use of vehicles of high environmental performance as it has been the case with the ECMT quota.
- The development of the quota will be decided by participating countries.
- The development of the quota could be made dependent on progress of participating countries also in the field of internationally accepted standards for road safety, road worthiness of vehicles and social provisions.

Disadvantage

- Even a multilateral system doesn't guarantee that road transport is able to accommodate trade because this depends on the number of multilateral licenses that will be made available.
- It should be taken into account that transit problems with non-participating countries could reduce the benefits of a multilateral system.

Expressed position of **ASMAP**:

ASMAP has repeatedly declared its support for the position on the liberalization of transit and bilateral transport between BSEC countries, but within the framework of bilateral agreements on mutually acceptable conditions for the Parties.

4.2 Long and unpredictable waiting times at borders

Problem identification

Waiting time at border crossings are a major concern especially for freight transport, but to some extent also for passenger trips. Waiting times varying between 30 minutes and one or more days are not unusual between the BSEC member states. Waiting times at borders affects road travel times and so regional accessibilities. The Global Economic Prospects report of 2004¹ calculates that one extra day in customs or in a port for completing paper work adds an average of 0.8% to costs. According to an IRU estimate, calculating with one-hour waiting time at each border crossed by TIR traffic between 1998-2005 (3 million carnets issued a year to undertake annually about 9 million border crossing operations) caused a direct loss of 3.5 billion USD. This amount should be doubled if indirect losses are also considered.

Border delays impose significant social and environmental costs. Often drivers are obliged to inch their vehicles forward periodically to keep their place in the queue. The delays cause also further security risks. Delays at borders constitute a significant impediment to realization of the trade facilitation aims of the World Trade Organization. Any reduction in these delays contributes towards a more balanced distribution of wealth and hence to global sustainable development.

The reasons for long and unpredictable waiting times at borders are manifold, and some of them will be discussed in detail in other paragraphs in this report. Here the focus will be on systems for monitoring of border waiting times, and how this can contribute to finding solutions.

Monitoring of border waiting times can contribute to economic development:

- Via a monitoring system bottlenecks are easily discovered, and actions can be taken to solve or improve the situation
- A real time monitoring system can be used as a tool for route planning by hauliers, and could give them the chance to avoid extreme situations.

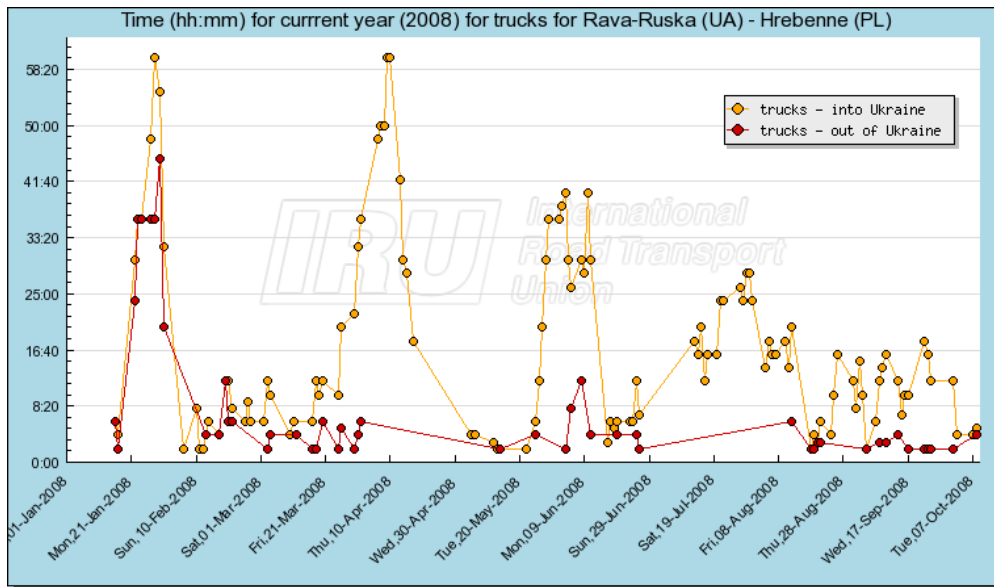
Today there is no common, harmonized border monitoring system within the BSEC. The only international implemented system is the Border Waiting Times Observatory system of IRU: <http://www.iru.org/index/bwt-app>.

¹ Global Economic Prospects 2004: Realizing the Development Promise of the Doha Agenda

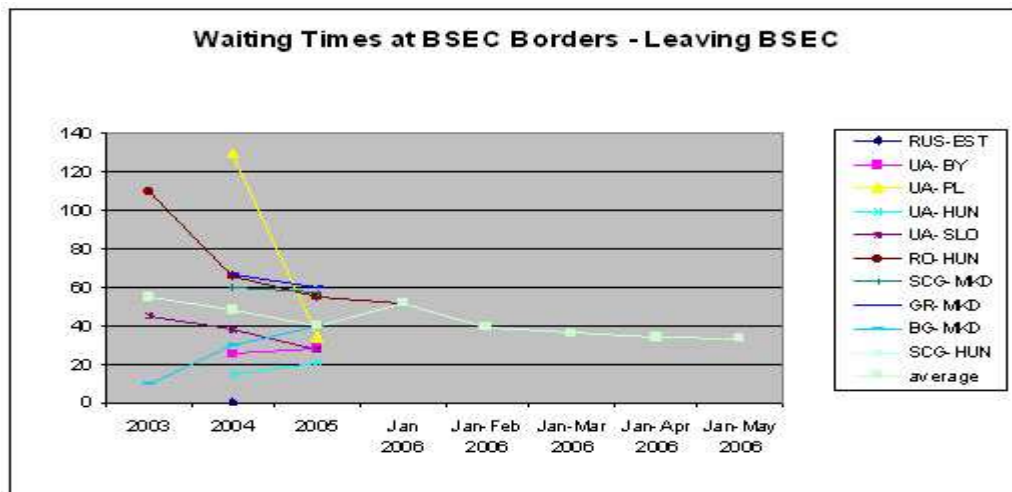
The BSEC situation

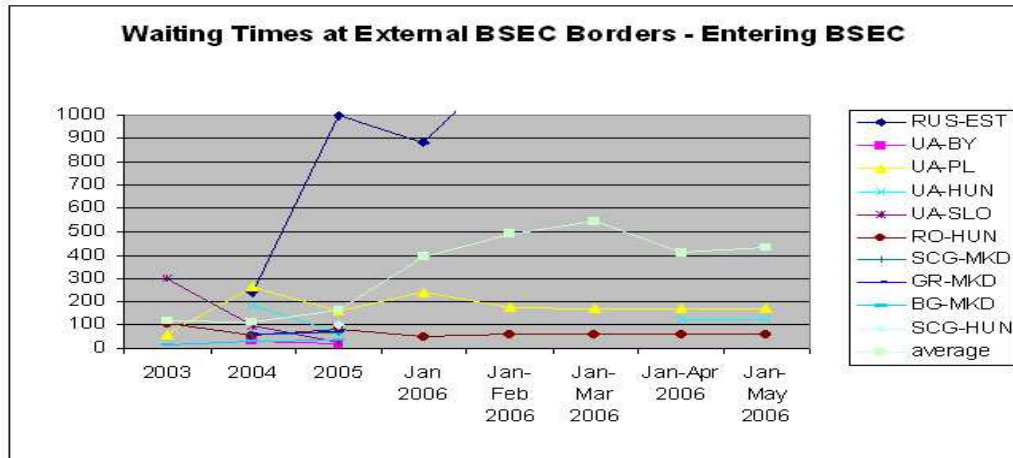
An analysis of border waiting times at external BSEC borders shows an enormous difference of waiting times between the BSEC countries. From 20 hours until 140 hours of waiting time at BSEC borders for leaving BSEC. The waiting time in order to enter the BSEC borders varies from 20 to 900 hours.

The following graph shows us the current waiting time at the border Rava-Ruska (UA) – Hrebenne (PL). The data are available from the following site. <http://www.iru.org/index/bwt-graph-xing-action/p.y/t.t/xi.75/c>. For some countries Graphs with latest figures are readily available for a number of border crossings since April 2007 till today, e.g.:

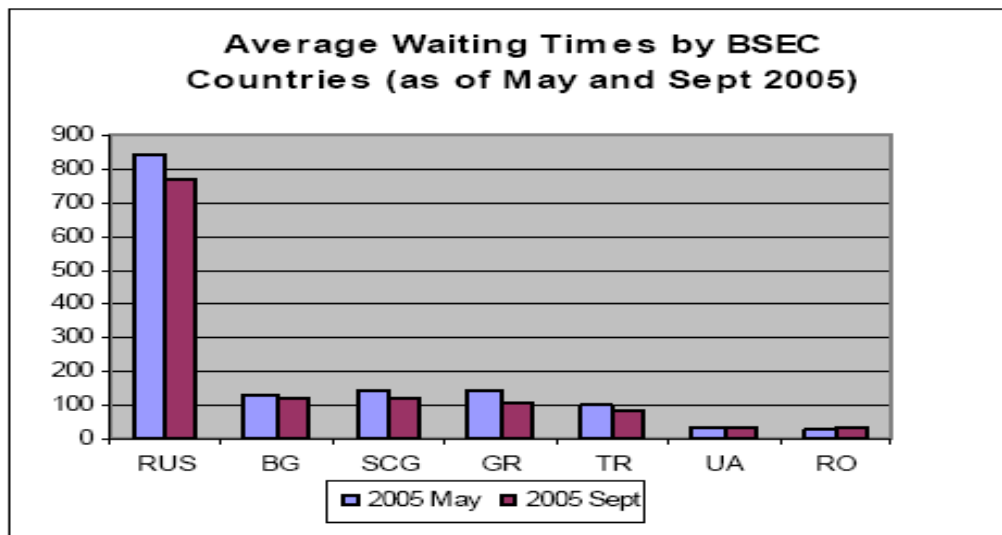


The following two graphs, also from the IRU data bank, show the historic development at a number of borders between 2003 and 2006.





The average waiting time regarded in two months in different BSEC countries in 2005 shows a difference of 800 to 20 hours at different borders, see following graph.



This analysis shows that long waiting times are not unusual between the BSEC member states and this causes significant social and environmental costs. In order to reduce these costs and have an instrument for decision makers to take actions and measures there could be a need of an information and monitoring system.

Best practices border waiting times monitoring systems

The IRU is working with governments and other partners to find solutions which will reduce paperwork and waiting times while ensuring that countries receive the appropriate customs dues. The provision by the IRU and its Members of more accurate data on waiting times helps this process, because governments are often unaware of the real nature of the problem.

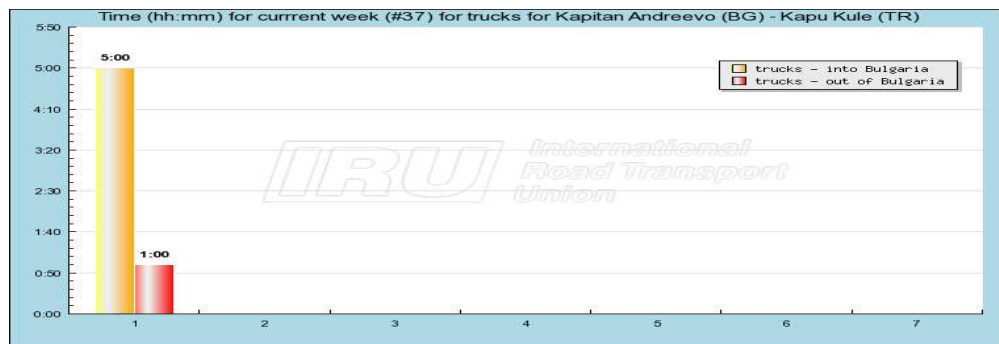
Since early 90's the IRU implemented a reporting system for Border monitoring. A new interactive web application is introduced from 2006. www.iru.org/MembersOnly/

Structure of the IRU system:

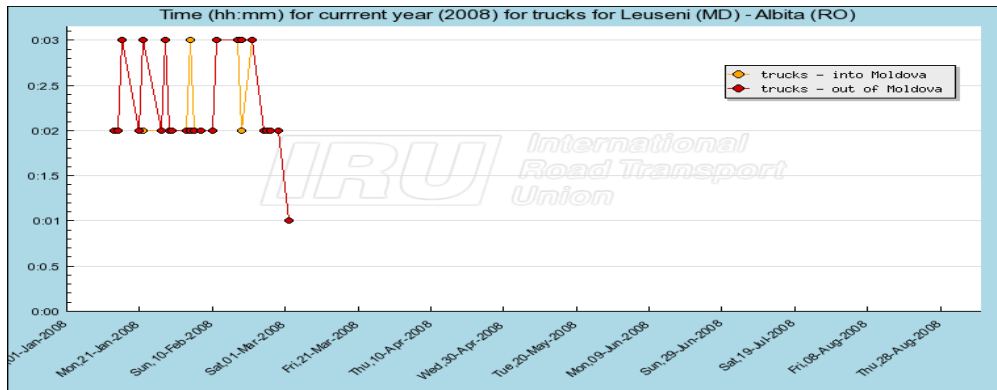
- Waiting time entered directly by Association Contact Persons into data bank (routine control and manual intervention by IRU System Administrator);
- System covers both trucks and coaches;
- System combines data from "both sides" of border posts by adding up waiting times at each side;
- System can handle textual information on reasons for waiting times or short description of exceptional circumstances;
- Access to daily information is possible by a simple user registration to the IRU website;
- Statistics and graphs (bar or line charts) are generated by user according to period of interest;
- System Administrator can extract data in Excel Tables for further data processing;
- Data in the old system are introduced under static historical graphs linked to each border post.

NEA looked at the IRU site in order to get actual information on border waiting times in BSEC. An overview of actual waiting times for all borders will not be given. The following graphs illustrate three different cases worked out from the IRU system. The system can provide for some countries and borders actual daily waiting times and at some borders there is a lack of information. The reason is that a number of national associations do not provide IRU with data.

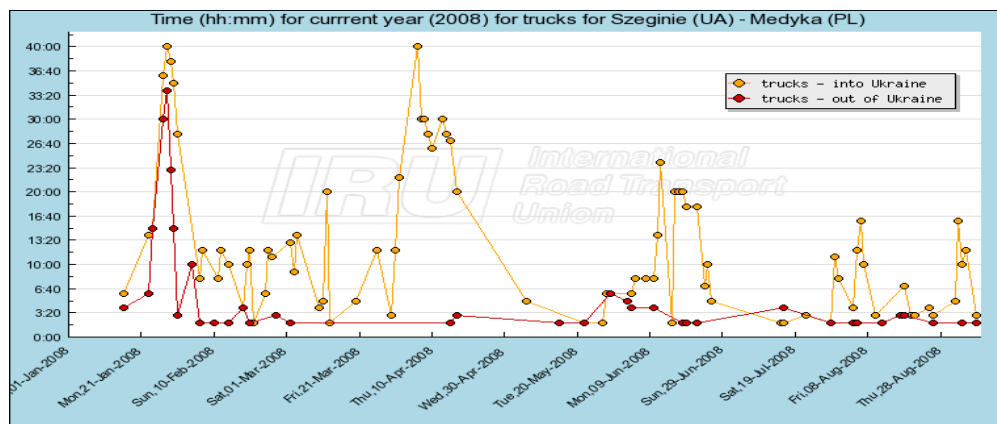
Border waiting time for trucks at Kapitan Andreevo (BG) – Kapu Kule (TR) border



Analysing the border waiting times for trucks for Leuseni (MD) – Albita (RO) shows us that from March 2008 until today the associations did not provide IRU with data.



An analysis of border waiting times for trucks for Szeginie (UA) – Medyka (PL) shows very good data quality.



Problems of the IRU system in the BSEC region are the following:

- Inconsistency of data input because being made voluntarily
- Reliable data sources should be identified as trusted sources
- There is no real time information for drivers, hauliers though the value of the once-a-day data input should not be underestimated

Advantages of the IRU system are the following:

- There is already an existent, developed system, which is approved
- There is no need for developing a new system
- Authorities could also feed this system with reliable data and use the instrument for decision makings, taking actions and measures of improvement

Alternative solutions

There is a need for mechanisms for systematic monitoring of border waiting times. Waiting times at borders are still a major problem which heavily affect road travel times and so regional accessibilities.

An analysis of best practices shows us that there is already a technical infrastructure by the IRU, which could support the BSEC Member States. But as the analysis shows the system is inconsistent and often irregular, geographical coverage for BSEC is not assured and could be extended. There are different options in order to implement a system for the BSEC region:

Option 1: BSEC implements the approved IRU system which is technically fit for geographic extension and the receipt of data of any daily frequency.

Option 2: BSEC develops a new system which is public financed

Option 3: BSEC develops a new system based on PPP (public private) cooperation

PPPs provide a forum where stakeholders can develop strategies to remove barriers to efficient trade. Hauliers need real time information from a border monitoring system. Within this context they would pay for the service of a monitoring system in order to get this information.

By involving private parties with competencies in trade and transport and with vested interests in the success of their businesses, public-private partnerships can develop the most efficient and properly regulated supply chains. The combined resources of the private and public sectors can provide promotion programs for the new system. The acceptance of the system would be guaranteed.

In the following we will highlight the advantages and disadvantages of different options:

	Advantage	Disadvantage
IRU system		
	No additional costs	Not reliable for borders with no or not regular data input
	Already approved	No real time information at present data input frequency
	Already introduced	
	Flexible, it can cover borders and border crossing points without any restriction	
	It can be made "quasi real time" by delivering several waiting time data into the system a day	
	Politically it can be reinforced with more IRU member support - IRU is working on it	

	Technically it can receive data supply from any trusted data supplier – so it is only a question of decision by IRU members to mandate (an) outside data supplier(s)	Lack of real time information for hauliers at present due to lack of data input at higher daily frequency
	Usage for politicians and decision makers to illustrate the seriousness of border waiting times	
New BSEC system	Modernizing the IRU system and adapting it to the necessities of BSEC needs	Additional costs (Monitoring costs, implementation costs), splitting the unique IRU system into bits and pieces
	Determining of activities and actions	New organization necessary
	Regular meetings between the authorities	No experience
	The obligatory input of data could be defined	No real tool available to make data supply and obligation for anybody
	Politicians could take measures	
	Real-time information could be available	Data supply frequency depends on the cooperating partners in the countries concerned
	Improves efficiency for trade	
PPP system	More efficiency. Governments perform better when they include private stakeholders	Additional implementation costs
	Definition of responsibilities and task definitions between privates and publics	Monitoring costs
	Costs for publics reduces	Willingness of users to pay is questionable
	Sharing of costs for privates	Pricing system is necessary
	Reliability	Cooperation of government and privates are required
	Authorities and decision makers can take decisions	More coordination necessary
	Improves efficiency of trade	No experience
	Willingness of cooperation between privates and publics	Real time system can be very costly – automatic sensors to measure time spent at borders, cameras, etc.
	Definition of a plan for taking measures	

The table above shows the advantages and disadvantages of three options. There is a need of a system which is reliable and useful for political decision makings and for hauliers in order to plan their optimal routes.

The IRU system needs further improvements as indicated above.

As conclusion we would suggest the following actions:

- To develop further the IRU system
- Engagement by associations and Governments of the region to join and deliver daily data;
- The competent border authorities should directly be involved with regularly and correctly provided and defined data supply.
- Geographic extension based on such an engagement;
- Multiple daily data delivery on a border crossing a day (to make it "quasi real time");
- Promotion of the IRU web application via hyperlinks on association / Government websites;
- Investigation of the inclusion of further external trusted data suppliers (drivers equipped with OBU systems etc.)

4.3 Multiple weighing of vehicles and related corruption

Problem identification

Today within the BSEC countries vehicles are confronted with the problem of repetitive weight measurements en route. This leads to long waiting times at borders and additional costs for hauliers. It is also not uncommon that staff involved in the weighing procedure attempts to get money from the driver for overloading while in fact the vehicle is not overloaded.

The international convention on the harmonization of frontier controls of goods was introduced in order to facilitate and develop international trade through harmonization. An example in this convention (actually included in the new Annex 8) is the International Vehicle Weight Certificate (IVWC), and this certificate could in theory contribute to the solution. The coordinated action of weighing in BSEC and unification of its conditions would simplify the procedures within the BSEC countries because of mutual recognition of the system. Further advantage is that there is no need to estimate the uncertainty of measurements. We have a simple procedure to decide if the weight of the vehicle is within certain limits and check if it pass or fails.

The objective is to facilitate border crossing procedures and to avoid repetitive weight measurements of motor vehicles en route, to reduce rent seeking, corruption practices and possibilities. If a vehicle is weighed in a certifiable fashion at the start of a trip, presentation of the IVWC would eliminate additional weight check stops for the duration the trip. Authorities may still perform random checks and controls in the case of supposed irregularities. The use of the IVWC by transport operators is optional.

In order to facilitate road transport BSEC countries could implement the IVWC. But there is a need of organization on a governmental level. Inside the government there must be a leading agency in order to organize, monitor and push the governments to implement the IVWC.

Until today NEA cannot find any consolidated information on problems of introduction, implementation and monitoring of the International Vehicle Weight Certificate.

The most important problems identified through discussions with international experts are the following:

- With which costs of implementation are the countries confronted?
- Which authority should have the supervision?
- Which authorities can distribute the certificates?
- The usage of the certificate is optional. It could take a long period before significant savings on borders can be achieved. The success is dependent on acceptance through hauliers.
- The need of authorized, certified weighing stations. This requires fixed assets and infrastructure which is further related to high costs.
- The weighing stations have to ensure their competence for example through an accreditation. How will be an accreditation procedure organized?
- The usage of appropriate instruments. The control of weighing instruments (regularly calibration of the stations) should be insured. There is a need of a good quality control and monitoring system.
- There is a need of qualified personnel. This is related with costs, trainings and resources.
- There is a need of a quality control system. This requires certified quality controls which guarantees a permanent high quality standard. Written process documentations, regularly checks and audits of the processes are needed. Independent auditing organizations are needed which grant the certification.
- The stations have to be maintained. The instruments shall be verified and sealed by relevant authorities. There is a need on personnel for maintenance and well trained personnel.
- In case of irregularities the authorities may reweigh the vehicle. This causes dependency on the arbitrariness of the authorities.
- Access to information on the list of certified weighing stations in a country. Such a document should be deposited and available for consultation via the UNECE; appeal procedures at the disposal of hauliers in case of irregularities should be in place.

Advantages of International Vehicle Weight Certificate are the following:

- Harmonization of procedures
- Road damage can be surveyed and reduced
- Fair competition between all hauliers
- Guarantees the technical security to avoid overloaded truck
- Shorter border delays, Faster procedures
- Decrease of costs of transport operations
- Less chances for corruption
- By joint cross border options further costs can be saved

Best practices:

Until today we can find few best practices in Russia, Belorussia, Ukraine and Moldova. There is no written consolidated information available about these best practices.

CIS member-states:

Today exists an agreement between the road transport authorities of the CIS member-states concerning the introduction of the international vehicle weight certificate (IVWD) on the territory CIS member-states.

The Government Agreement between CIS countries (except Azerbaijan and Turkmenistan) on introduction of the weight certificate was signed in 2004. Real application started at the end of 2006. Currently this certificate is issued in Russia, Belarus, Kazakhstan, Kirgizia and Moldova. Ukraine recognizes it but do not yet issue these certificates. Only CIS countries that signed this agreement recognize the Certificate.

In 2007, 1374 certificates were issued in Russia, 629 certificates were issued during January – February 2008. Actually there is a big promotion campaign in road transport companies for the usage of this certificate. Almost 80 – 90 % of Russian drivers receive it in Belarus. The unique condition to get it is to be under any customs regime. The procedure to make a certificate normally takes no more that 15 – 20 minutes.

Only in the following exceptional cases trucks may be (control) weighed although they have an IVWC:

- When the weight information in the IVWC does not correspond to the other documents (CARNET TIR, CMR).
- If the vehicle was additionally loaded or if the goods were reloaded to another vehicle as well as if the goods were transferred to another customs regime.
- When the weight information in the IVWC does not correspond to the data relating to the vehicle itself (type of the utility vehicle, registration numbers).
- When special weight characteristics do not coincide to those indicated in the field 8 of the IVWC.
- Provided discrepancy between the data indicated in the IVWC and the real weight was detected to be more than 2%. In this case the IVWC shall be withdrawn and the transport operator shall be subject to fines according to the national legislation.¹

¹ Look at the Annex to the agreement between the road transport authorities of the CIS member-States concerning the introduction of the international vehicle weight certificate (IVWC) on the territory CIS member States.

Alternative solutions

In order to facilitate road transport in BSEC countries the IVWC should be implemented.

Until today there is no handbook and no consolidated information on best practices available. In order to ensure the introduction there is a need of an analysis of technical and administrative bottlenecks in each country of BSEC region. The implementation could be easier if there would already exist a manual and a best practice handbook.

There are at the present situation many open questions to countries which have to be answered. UNECE WP30 (customs) meeting has started its October session on 7 October and the implementation of Annex 8 has been on the Agenda. The decision was taken to convoke the Convention's Administrative Committee in 2009 to review Annex 8 implementation. UNECE mentioned that they are at the beginning of the process. They are now working out all necessary points in order to implement the IVWC.

Fore sure there is a need of coordination at governmental level to organize the introduction of IVWC.

Inside the government there should be a leading agency which is in charge of the following points:

- Analysis of bottlenecks (administrative, technical)
- Determine the list of all weighing stations in the countries
- Identifying of minimum requirements for authorized weighing stations (see Annex 8)
- Supervision of procedures
- Promoting closer cooperation between authorities and business communities. Promotion of advantages of certificates to operators, drivers. The acceptance will increase.
- Selection of certificated methods and instruments for weighing stations
- Equipment of stations with instruments
- Analyzing the accreditation process
- Ensuring the competence of weighing stations
- Deploying qualified personnel, Training of all participants in the chain. It is necessary to keep the high standards of professionalism among the border weighing guard and custom officers through trainings, team building, establishing a code of ethical behaviour. The continuing building of prestige and social status of weighing customs.
- In order to share information, it can be mutually beneficial to initiate regular meetings between border officials and regional subjects
- Ensuring of an auditing process for testing of procedures.
- Ensuring the maintenance of weighing stations
- Determining the exceptional cases for re weighing the vehicles. Taking appropriating measures to ensure that re-weighing will not occur again.

- Publishing the list of weighing stations
- Monitoring the implementation procedures. For results tracking and evaluation, performance indicators should be introduced.
- Monitoring and measuring changes in border agencies

Only through governmental support is an introduction of such a complex system possible.

4.4 Visa procedures

Problem identification

Background

In a large number of European countries professional drivers are treated like "normal" travellers and need visas to enter countries. To obtain these visas companies often need to supply large numbers of documents, and enter into complicated procedures. Furthermore, required documents and procedures vary greatly among countries. To make things worse, visas are often given with restrictions on the number of yearly entries and/or time restrictions, and prices for visas are in some cases relatively high. This leads to long delays and high costs for transport operators.

Alternative solutions

To find solutions for the visa problem for professional drivers it should be first made clearer why countries create barriers to obtain visas.

It seems there are three possible reasons:

- A. Countries want to stick to their national immigration rules because they fear asylum, illegal immigration, drugs, illegal trade, illegal employment etc, also in the case of professional drivers.
- B. Countries use complicated visa procedures to indirectly influence market shares of their hauliers.
- C. A mix of both reasons.

If argument A would be the main reason for complicated visa procedures, it is difficult to understand why countries in many cases make obtaining visas even more difficult for professional drivers than for other travellers¹. Certainly given the fact that according to the IRU during more than 50 million transport operations carried out under the TIR System in the world since its inception till today, the IRU was not reported about even a single incident, where a professional driver, after getting visa, abandoned his truck and cargo in a foreign country and asked for asylum or immigrated illegally.

¹ In many cases countries demand, apart from application forms, photo's, invitation letters etc, documents like consignee information, transport contracts, driving licenses, vehicle information, operator licenses, permit information, etc.

If argument B would be the main reason it is difficult to understand why countries create complicated visa procedures while the bilateral permit system is the easiest way to protect market shares.

In short, it seems that the best way to find solutions for the visa problem would be to discuss among BSEC governments why they create complicated procedures for professional drivers.

In the meantime, to facilitate obtaining visas for professional drivers a number of initiatives have been taken.

Annex 8 of the "International convention on the harmonization of frontier controls of goods"

In this annex the following article has been included:

Article 2 - Facilitation of visa procedures for professional drivers

1. The Contracting Parties should endeavour to facilitate the procedures for the granting of visas for professional drivers engaged in international road transport in accordance with national best practice for all visa applicants and national immigration rules as well as international commitments.
2. The Contracting Parties agree to regularly exchange information on best practices with regard to the facilitation of visa procedures for professional drivers.

Since annex 8 of the 1982 Convention merely calls upon contracting parties to look for possibilities to facilitate the granting of visas, the most obvious policy option for the BSEC countries is to sign and implement their agreement on the simplification of visa procedures. And although this agreement leaves room for countries to hold on to national laws and regulations in this field, it could be a first step towards simplification, and certainly will provide a platform to exchange information on best practices.

BSEC "Agreement on Simplification of Visa Procedures for Professional Lorry Drivers Nationals of the BSEC Member States"

The BSEC Member States have designed an "Agreement on Simplification of Visa Procedures for Professional Lorry Drivers Nationals of the BSEC Member States". In summary, under this project the BSEC-URTA Member Associations will establish a national database to keep records of their drivers; these data will be gathered at the BSEC-URTA Regional Data Center and internet access to this Center will be created for any Consular Mission in one of the 11 BSEC countries. In addition to the above, creation of two international documents are planned: (a) Driver's Log Book, (b) Support Form for BSEC Visa for Professional Drivers. For standardization purposes, these documents will be established and printed by BSEC-URTA and completed and distributed to the drivers through their Member Associations. Such forms will be kept by the Consular Mission, where a visa application is made. According to the project, each driver will also be given a Driver's Log Book, which will include personal, professional and visa information, and such records will be updated by the Association on a permanent basis.

On the other hand, BSEC Visa for Professional Drivers Support Form will be filled in and sealed by the Member Associations for each and every application made to the Diplomatic Missions. These forms will be kept by the Diplomatic Missions as part of the visa application documentation. Any Mission will confirm the records put on such documents through internet access to the Regional Data Center.

This BSEC agreement could also contribute to the solution of the visa problem, but only of the agreement indeed will be implemented by the BSEC Member States. A negative aspect is the extra administrative burden for all parties involved.

IRU Position¹:

In the following we describe the IRU Position adopted by the IRU Liaison Committee to the CIS in Chisinau on 11 October 2007.

IRU looks for facilitation measures like the following points:

- the special status of professional drivers of coaches/buses and trucks should be recognised as one deserving facilitated visa treatment
- the intermediary role of transport associations should be promoted as part of facilitation measures
- long-term (minimum one year) multi-entry visas should be issued
- the visa application procedures should be simplified (rapid delivery, reduced number of application documents, reasonable fees, limited need for application in person, etc.)
- no limitations on the use of issued visas should be applied (as regards time or routes permitted)

Further IRU asks the European Commission (EU) and the EU Member States as well as other organisations and Governments not to turn visa issuance procedures into neo-protectionist and discriminatory barriers to transport operators

IRU welcomes the conclusion of bilateral agreements on the facilitation of visa issuance, including for professional drivers, between the European Union and non-EU States, such as the Russian Federation, Ukraine, Moldova and States of the Western Balkans and in this context it requests:

- a rapid, smooth and harmonised implementation of these agreements by embassies and consulates of all the countries concerned
- IRU member associations to fulfil their intermediary role with due diligence thus helping professional drivers employed by their member operators to obtain their visas, maintaining the right of professional drivers to submit visa applications on an individual basis if they so wish.

¹ IRU Position on the need to facilitate the issuance of visas to professional drivers, Geneva, 17 October 2007

- requests the European Commission, the European Parliament and the Council (EU) to introduce facilitation measures for professional drivers also in the new EU Visa Code under preparation

At last IRU invites other international organisations and Governments in other geographic regions and relations to seek bi- and multilateral solutions for improving the conditions of issuing visas to professional drivers. In particular, it encourages Governments of the Black Sea Economic Cooperation (BSEC) region to sign, ratify and implement the Agreement on Simplification of Visa Procedures for Professional Drivers Nationals of the BSEC Member States as rapidly as possible.

Conclusion

Numerous alternatives seem available to facilitate road transport in the field of obtaining visas for professional drivers.

The simplest solution seems to be that BSEC countries give professional drivers multi-entry visas for a period of minimal one year. If countries want to protect their markets, this should be done via bilateral permit systems and not via complicated visa procedures. As a first step it is suggested that countries agree to issue one-year visas for a trial period of one year. If after this trial period no problems occur with illegal immigration etc the trial period could be extended.

If the simple solution cannot be reached, a step in the right direction could be to follow the recommendations in Annex 8 of the "International convention on the harmonization of frontier controls of goods", and to implement the BSEC "Agreement on Simplification of Visa Procedures for Professional Lorry Drivers Nationals of the BSEC Member States".

4.5 Lack of harmonisation of customs procedures

Problem identification

In many countries, companies involved in international trade have regularly to prepare and submit large volumes of information and documents to governmental authorities to comply with import, export and transit-related regulatory requirements. This information and documentation often has to be submitted through several different agencies, each with their own specific (manual or automated) systems and paper forms.

These extensive requirements, together with their associated compliance costs, can constitute a serious burden to both governments and the business community and can also be a serious barrier to the development of international trade.

One approach to address this problem is the establishment of an ICT system. This can enhance the availability and handling of information, expedite and simplify information flows between trade and government and can result in a greater harmonisation and sharing of the relevant data across governmental systems, bringing meaningful gains to all parties involved in cross-border trade.

The use of such a facility can result in improved efficiency and effectiveness of official controls and can reduce costs for both governments and traders due to better use of resources. The Single Window aims to expedite and simplify information flows between trade and government and bring meaningful gains to all parties involved in cross-border trade. (see provisions on procedural matters of Annex 8).

In the following NEA analyses the problems actually existent in the BSEC. Today there is no harmonized information system available within the BSEC region. A short analysis of different countries will show the difference within the region.

- **Armenia** - used an old version of ASYCUDA++ until 2007 (they received all updates from UNCTAD, but they did not install them). The State Customs Committee uses now a system that operates on top of the ASYCUDA++ system.

- **Azerbaijan** - has a 2-3 years old "system", developed in an old technology, with less functionalities than for example ASYCUDA. The system is not integrated (different systems trying to exchange data among them).

- **Bulgaria** - developed its own system with a Bulgarian company. It does the job as far as the European Commission did not complain officially.

- **Greece** - NEA has no information on the systems recently and therefore we cannot comment on its technical and functional performances. The European Commission did not complain officially about it, therefore it seems to work.

- **Russian Federation** - is in full process of modernising its Customs IT system, based on an WB loan. The State Customs Committee decided to develop it in the standard and safe manner: There is a consultancy contract for development of the technical specifications and other specifications etc

- **Serbia** - The Customs Administration in Serbia has developed for more than 4-5 years its own system. They are looking for new alternative systems. Asycuda have been informed that they decided to continue to develop their own system.

- **Turkey** - uses for years a Customs IT system (BILGE), based on the French SOFIX system.

- **Ukraine** - still uses an old IT system. There are plans for modernisation but as far as we know there are no concrete actions so far.

The republics of Georgia, Romania, Moldova, and Albania are working with Asycuda system.

In the following NEA analyses some best practices on already implemented an internationally accepted systems

Alternative solutions

The term Integrated Border Management (IBM) is often employed in the context of simplification and harmonization of formalities. It describes different forms and levels of border agencies coordination and cooperation with the aim to facilitate, legitimate trade and increase operational efficiency.

The integrated border management solution is designed to support the secure integration of security processes and data within the government agency and related commercial enterprises to secure international trade and travel.

IBM can be divided into two categories:

- (1) domestic integration between government agencies within one country or customs union
- (2) international integration between neighbouring countries.

1) Effective and successful IBM usually begins with domestic interagency cooperation. In its most current, efficient form, domestic integration may lead to "single window" processing.

In practical terms, the Single Window aims to expedite and simplify information flows between trade and government and bring meaningful gains to all parties involved in cross-border trade. The Single Window is generally managed centrally by a lead agency.

2) International IBM refers to the cooperation between multiple countries to align and integrate common border formalities. The important management function is coordination of policies between adjoining countries, which can be facilitated through the adoption of international agreements such as the World Customs Organization's Revised Kyoto, Convention on Customs Procedures and the UN's Harmonized System of Commodity, Coding for Goods Classification and International Convention on the Harmonization of Frontier Control of Goods (Geneva Convention).

Advantages of implementation of IBM strategies and procedures:

- domestically reduces costs,
- increases efficiencies,
- improves security, and facilitates trade.

Benefits for governments:

- More effective and efficient deployment of resources
- Correct (and often increased) revenue yield
- Improved trader compliance
- Enhanced security
- Increased integrity and transparency

Benefits for trade

- Cutting costs through reducing delays
- Faster clearance and release
- Predictable application and explanation of rules
- More effective and efficient deployment of resources
- Increased transparency

Possible Disadvantages and possible Obstacles:

- Commitment of resources:

The lead agency, in particular, must commit financial and personnel resources if a Single Window system is to be successfully implemented.

- Cost:

Cost of design, developing, implementing and maintaining Single Window. The implementation of a Single Window should conduct a comprehensive cost benefit analysis.

Both government and traders must maintain different files, standards, and systems to meet different agency requirements.

- Perceived intention or motivation:

In developing a Single Window concept, agencies may have the mistaken impression that the lead agency is attempting to take over and dominate the international trade process. This perception must be addressed early in the concept phase, making it clear that the lead agency has its own role and responsibilities and is interested in improving, not dominating, the process.

- Cultural resistance to Change:

Any radical change to a process, as Single Window is, will encounter resistance. Education and inclusion are two methods for reducing this resistance.

- Data requirements:

Developing a standard data set is critical to achieving efficiency in a Single Window.

Different international organizations developed different Recommendations for Information and Communications Technology (ICT). NEA will not describe in the following different systems. But it should be mentioned that UNCTAD developed the Automated System for Customs Data (ASYCUDA). ASYCUDA is already in usage in 4 different BSEC countries.

ASYCUDA has two main versions that can be implemented in the BSEC countries:

ASYCUDA++ (Ver. 3, client-server architecture) which can be implemented as a totally decentralised system or a totally centralised or any combination of both architectures. This version is suitable for countries with poor communications at national level or in at least one region of the country.

ASYCUDA World (Ver. 4, Internet-based) which is usually implemented as a totally centralised system. This version is suitable for countries with good telecommunications and especially good Internet services.

Both architectures have advantages and disadvantages, but produce results in all types of environment, e.g.

- Romania entered in the EU (in 2004 and 2007) with ASYCUDA++ EU Version, which was considered by the European Commission as compatible with the EU standards.

- Albania, Moldova and Georgia run ASYCUDA World with remarkable results (Albania and Georgia migrated from an old ASYCUDA++ version to ASYCUDA World, Moldova implemented the system from the very beginning).

NEA would recommend studying the advantages and disadvantages of different existing ICT systems within the BSEC. As mentioned some countries in BSEC operate already with International IBM systems as ASYCUDA which refers to the cooperation between multiple countries and integrate common border formalities.

By integrating border management internationally into one single entity or by improving strategies at border stations, BSEC countries can work together to share information and border resources and to reduce costs while improving their performance.

For the development of IBM, there is a need of political support from the highest levels. In most countries, that means a mandate from the Prime Minister or a similar official with authority over the relevant agencies.

The mandate for either type of IBM usually includes the establishment of a working group or task force that will conduct the work. It also requires a legal review of domestic statutes and regulations to determine any additional authority that may be necessary to implement IBM. A lead agency is then nominated to direct the process.

4.6 Restrictions on litres of fuel in the tanks of vehicles

Problem identification

Truck drivers within BSEC countries are confronted with varying restrictions on the quantity of fuel in the tanks of vehicles when they enter Turkey and Azerbaijan.

Turkey has restrictions on fuel exceeding 550 litres, which is stored in the standard fuel tanks. Azerbaijan has restriction of 200 litres. The other countries within BSEC have no restrictions (1000 litres, normal tank). This causes problems between BSEC members. According to Art. 113 of the regulation 918/83, the EU countries may limit the fuel imported in the tanks of vehicles to 200 litres.

Alternative solutions

Given the fact that only Turkey and Azerbaijan have restrictions on the import of fuel within BSEC countries it seems most logical that these two countries adapt their regulations.

4.7 Road safety

Problem identification

Road safety is one of the priority topics discussed in road transport. On 26 October 2005 the UN General Assembly unanimously adopted a Resolution aimed at reducing deaths and injuries from road accidents worldwide.

In the framework of this Resolution it encourages Member States to adhere and to implement the two important UN Conventions and their amendments:

- Convention on Road Traffic
- Convention on Road Signs and Signals

Road accidents remain one of the biggest causes of fatalities in BSEC Member States. The next table shows the safety situation in the different BSEC countries:

	Albania	Armenia	Azerbaijan	Bulgaria	Hellenic Republic	Georgia	Republic Moldova	Russian Federation	Serbia	Ukraine	Turkey	Romania
Year	2007	2007	2006	2007	2006	2006	2007	2007	2006	2007	2006	2006
Number of road accidents	1254	1943	3197	8010	n/a	4795	2437	231000	13912	63554	728755	6630
Fatality	384	371	1027	1006	1657	675	464	33300	808	9574	4633	2436
Injuries	1344	2720	3606	9827	16019	7084	2984	292206	13104	78528	169080	5281

Source: National Statistics Committees

In order to improve road safety, ECMT has established the target of reducing road fatalities from 2000 to 2012 on 50%.

	Albania	Armenia	Azerbaijan	Bulgaria	Hellenic Republic	Georgia	Republic Moldova	Russian Federation	Serbia	Ukraine	Turkey	Romania
Fatalities	280	214	596	1012	2037	500	406	29594	1048	5200	3941	2499

2000 Fatalities 2004	315	n/a	811	943	1619	637	405	34506	953	6966	4428	2418
Average annual reduction from 2005 required to reach the -50% target in 2012 (%)	-9.6	n/a	-11.8	-7.5	-5.6	-11	-8.3	-10	-7.2	-11.6	-9.6	-7.9

Source:CEMT/CM (2006)

Latest available results suggest that only a relatively small proportion of countries are on track to achieve their national targets or international targets. Consequently exceptional efforts will be required in many countries in the future years to achieve the road safety targets that have been set for 2012.

The main risk factors of road safety are:

- speeding,
- drink driving,
- non-use of safety belts and helmets,
- child restraints,
- General road conditions is also one of the biggest problems.

ECMT determines the risk factors as following:

- young drivers,
- insufficiently safe road infrastructure
- increasing volumes of risks associated with heavy goods vehicles
- unlicensed drivers,
- fatigue,
- repeat offenders,
- international drivers who may be immune from cross-border penalties and the adverse impact of on-board technological and mobile equipment.

To fill in further lack of knowledge, the European Commission (EC) and the International Road Transport Union (IRU) launched a unique scientific study, the European Truck Accident Causation (ETAC) study. The aim of the study is to identify the main causes of accidents involving trucks. The results of special IRU-EC study on HGV-involved accident analysis are available under the following site:
http://www.iru.org/index/cms-filessystem-action?file=mix-publications/2007_ETACstudy.pdf)

The top main causes for accidents between a truck and other road user after the study are:

- 1- Non-adapted speed,
- 2- Failure to observe intersection rules,
- 3- Improper manoeuvre when changing lanes.

However, these three main causes only show a tendency and the main cause of an accident varies according to the accident configuration. The study gives an overview of the main causes of accidents according to different configurations.

International organizations analyzed a global lack of the following points concerning cooperation in different countries:

- joint and harmonized road safety approach;
- practical guidelines for traffic education and public awareness campaigns;
- accepted guidelines of well-designed infrastructure;
- accepted standard enforcement training programs;
- standards for enforcement of traffic violations;
- standardized collection of collision data by the police;
- accepted and disseminated "best practice" proposals;
- standards for incident-management;
- standards to handle collisions and post-accident situations;
- using well designed standards to analyze collision data; and
- standards regarding the technical specifications of enforcement instruments.

Alternative solutions

In order to improve the overall road safety performance in BSEC countries the following complementary proposals could be discussed:

1) BSEC Road safety organization:

BSEC countries could launch an organization which would be responsible for Road safety issues. The organisation would promote its activities, create web site links between each other and join activities if possible.

The Road Safety BSEC organization will further become a road safety documentation and information centre, where practical information will be found and stored on the operational aspects of road safety, guidelines, standards, 'best practice' recommendations and successfully implemented pilot projects.

In this sense, the network must work as a clearing-house, a practical and much needed institute for day-to-day road safety practice.

The organization will be composed of road safety organizations, research institutes, academies, experienced traffic police and management specialists, engineers, educators, policymakers, consultants and representatives from the industry.

One of the main objectives of the organization could be to establish minimum standards in all the areas of road safety management. Safety management will include training to enforcers (which includes traffic police, transport departments and civic agencies), traffic safety education, traffic engineering, driver training, implementation of 'good practices', benchmarking new relevant legislations, related environmental issues, road safety councils and other such bodies to deliver and monitor road safety.

There would be a need of clear set of priorities between all BSEC members.

Advantages of BSEC road safety organization:

- Developing of international approved standards and guidelines in the field of traffic enforcement, traffic education and engineering.
- Develop international accepted enforcement instruments.
- Developing and disseminating international accepted forms for the collection of collision data;
- Improving the handling of collisions and post-accident situations;
- Organising annual conferences or workshops around the BSEC for the exchange of information;
- Gathering international knowledge and best practice and establishing a "Good Practice" data bank;
- Making available on a wide scale the knowledge obtained through this data bank;.

Disadvantage of BSEC road safety organization:

- New organization without experience
- Costs which are related to the new project
- More coordination necessary
- Monitoring costs

2) Improve the implementation of the key international and UNECE conventions through Best practices

Proper implementation/enforcement of conventions should be promised in BSEC countries. BSEC members could look after best practices of implementation and disseminate them within BSEC countries in order to cooperate and implement the conventions on basis of best practices.

BSEC members could commit themselves to create more synergy, political awareness, and qualitative input in the various (running) road safety projects, based on research, best practice and implemental proposals which will be disseminated to BSEC countries.

Advantage:

- No additional administrative costs
- Exchange of information between countries, more cooperation
- Disseminating of best practices

Disadvantage:

- No approved standards and guidelines within BSEC members
- No coordinated actions as workshops, conferences
- No general databank which could help for further analysis

The first step in order to improve the actual situation could be the option two and in a second step BSEC countries could have the ambition to achieve the option one. The step by step approach could allow to see the results of step one (implementation of conventions through best practice dissemination) and to see if the first option could achieve the targets set. If this would be the case the second step could be discussed to establish a BSEC Road safety organization.

4.8 Charging policies and the lack of information

Problem identification

The objective of MOU is to rationalize and gradually harmonize the charging policies for the international road transport of goods in the BSEC region. This paper does not provide a lengthy survey of everything that may add to the subject, but tries to reduce the subject to what is really necessary.

An in depth analysis of pricing policies has to integrally consider the whole system of pricing measures applied to transport users of all modes in a certain area including fuel and vehicle taxes, (public) transport subsidies, transport related income tax deductions, road pricing, parking fees, etc. However, this would lead to an analysis of the whole fiscal system which cannot be fulfilled in the context of this study.

The objective of this chapter is to provide guidance to existing charging systems in BSEC and to see if harmonization of different systems in BSEC region could be an issue. The main motivation behind this chapter is to describe the challenges and opportunities for the BSEC Member States on vehicles charging.

The following table shows different charging systems in the BSEC region. As can be seen the systems differ within the countries.

Country	Year	Type of Charge	Description		Amount		Rate		Basis		Frequency		Collection		Destination		Remarks					
			Code	Text	Value	Unit	Per	Unit	Per	Unit	Per	Unit	Per	Unit	Per	Unit	Per	Unit	Per	Unit		
Austria	2008	Road	100	Toll	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR
Belgium	2008	Road	100	Toll	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
Czech Republic	2008	Road	100	Toll	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		
					100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR	100	EUR		

In studying Charging policies, economists traditionally focus on the question of how a given revenue can be raised in the most efficient manner. Nevertheless, in practice, governments are forced to take a much broader range of considerations into account. Road user charges are an important instrument in the achievement of different transportation policy goals. These considerations mean that governments inevitably take a broader view when determining road user charges and that strict efficiency criteria are often not adhered to.

We start by taking a brief look at experiences with road charges in several countries.

Alternative solutions

Simple annual motorway vignettes or flat-rate charges for designated road sections have been widely employed. The purpose of these early systems was simply to pay for the infrastructure costs. As the charges are not linked to specific cost items, such as infrastructure costs, environmental or safety costs, they do not give incentives to reduce these costs and are hence inefficient pricing tools. Moreover, they are often discriminatory. Flat-rate fees end up being cheaper for domestic firms as they can usually spread the costs over more kilometres driven on their national networks than their foreign competitors.

Because of these important drawbacks of flat fees, countries are increasingly looking for more sophisticated ways to make lorries pay for their costs. Technological advances have made this possible.

Modern distance-based road charges can be used to address a wide range of issues, including financial, traffic management, safety and environmental concerns. Such modern, non-discriminatory charging systems also make it less necessary to be concerned about discrimination.

On July 8 2008, the European Commission adopted the Greening Transport Package, which includes a proposal to revise the Eurovignette Directive on charges for heavy-goods vehicles (1999/62/EC). This marks an important milestone in the drive to internalise the external costs of road transport, which will open up the possibility for Member States to put the "polluter pays" principle into practice and help to create a more level playing field between transport modes.

The IRU does not agree with this approach as such and proposes the consideration of cost-benefit analysis as in the framework of the Cheapest Cost Avoider principle: http://www.iru.org/index/en_iru_policy_ppp

Recent experience with distance based toll systems

Until now, distance-related vehicle charges have been implemented by only a handful of States. The cases most frequently cited are the motorway charges levied in France, Italy, Portugal and Spain. In all these countries, charges are applied only on part of the motorway network. Austria and Germany have recently introduced charging systems on a wider scale, including all motorways. Outside the EU, Switzerland has implemented a distance based heavy goods vehicle fee on all roads.

A new development as of 2007 is the introduction of distance-based charging on motorways and high-speed roads in the Czech Republic. However, it is too early to draw conclusions from the Czech system.

Although the systems implemented are similar, they vary in a number of key characteristics:

Characteristics	Austria	Germany	Switzerland	Czech Republic
Introduction	1 Jan 2004	1 Jan 2005	1 Jan 2001	1 Jan 2007
Vehicles	> 3.5 tonnes	> 12 tonnes	> 3.5 tonnes	> 3.5 tonnes
Network	Motorways and a few expressways	Motorways + 3 national highways from 1 Jan 2007	All roads within the country	All state-managed motorways and expressways
Differentiation	Axles	Axles and emission classes	Maximum laden weight and emission classes	Axles and emission classes
Maximum fee level: €/km (40tonnes / 4+ axles, excl. VAT)	From 1 July 2007: € 0.3255/km	From 1 Sept 2007: EURO 0-II: €0.155	From 1 Jan 2005: EURO 0-I: €0.69 (CHF1.15) ⁵	From 1 Jan 2007: EURO 0-I: €0.19 (CZK 5.40)
		EURO III-IV: €0.13	EURO II: €0.61 (CHF 1.01)	EURO III-V: €0.15 (CZK 4.20)
		EURO V: €0.11	EURO III-IV: €0.52 (CHF 0.86) (Price rise planned for 2008)	-
Technology	Microwave (DSRC)	Satellite navigation (GPS) and mobile communication (GSM)	Tachograph, microwave (DSRC), satellite navigation (GPS) for checks	Microwave (DSRC), plans to convert to GPS.
Operating costs	12% of revenues ⁶	18% of revenues ⁷	5% of revenues ⁸	No data
Information	http://www.gomaut.at	http://www.bmvs.de/Verkehr/Strasse-,1436/LKW-Maut.htm http://www.tollcollect.de	http://www.are.admin.ch/themen/verkehr/00250/00461/index.html?lang=en http://www.ezv.admin.ch/zollinfo_firmen/steuern_abgaben/00379/index.html?lang=de	www.premid.cz

The European rules on lorry charges are very complex. Europe is moving in several directions regarding HGV road charging policy and charging philosophies. Countries clearly have different problems and financing issues to address. There are different objectives and business models ranging from pure revenue generation to systems that should support socioeconomic marginal costs.

The basis for introducing more advanced road user charge systems are also differing between countries. In continental Europe several countries are subject to extensive transit traffic by trucks using the roads but not paying for it, as they fill up diesel in cheaper countries and thus do not pay any diesel tax in the transit country. Other countries have environmental concerns and use the charges for enabling modal shift of goods to more sustainable modes.

Other countries wish to finance the infrastructure investments with road user charges. Other issues to take into concern are the differing legal status of road user charges. In some countries the legal basis for the system is taxation whereas in other it is charge for road use.

Technology-wise there are differences both in type of technology (the two main directions are DSRC (microwave communication) or satellite based technology but also in the philosophy where some prefer simple solutions within clients and other more complex on-board units.

There is a political goal on the European Commission level to achieve interoperability between the systems used in the member states. The directive "On interoperability of electronic road toll systems in the Community" deals with the implementation of differentiated road charges for heavy vehicles in Europe (European Commission 2003). The directive lays down the conditions necessary to ensure a European electronic toll service that is interoperable at the technical, contractual and procedural level.

The aim of the Directive is quite clear:

One should be able to drive with a vehicle throughout Europe having only one contract and only one set of OBU (On Board Unit) to be used for all European toll systems.

The reason behind is that it is in the interest of the user (cheaper and/or more convenient) to have only one contract and only one set of OBU than a separate contract and/or a separate set of OBU of each single toll system or group of national toll systems.

The problem is that there is no single technical solution evolving at the moment which would foster the agreement of all Nations involved to achieve this common European technical specification. Moreover, countries are likely to implement their lorry road user charging schemes in different ways (distance, time, flat-fee etc) and from a fiscal point of view, some may be taxes, some may be use-based fees – both of which have a very different legal basis in Europe. Currently there are a number of implemented and planned Lorry road users charging systems in Europe.

However, the business case for interoperability is still to be proven and it is questionable if it is efficient to develop a universal OBU to meet the needs of all legacy and future systems.

What can also be distilled from the discussions is that one cannot look at the policy or the technology in isolation. The design of road charging systems include interacting elements of policy, legislation and technology.

Position of IRU:

Bearing in mind national initiatives in the field of distance-related road user charging and the disadvantages for the road haulage industry, the IRU welcomes, in principle, a common framework for charging heavy goods vehicles in EU Member States including the inter-operability of technical equipment.

This will promote the harmonisation of road-specific taxes and charges and thus enhance the internal road transport market.¹

Conclusion:

To conclude this chapter, it can be said that the determination of road user charges in BSEC region bases upon several objectives, whether implicit or explicitly stated, and not just on pure economic efficiency criteria.

The importance of harmonization of different charging policies in the BSEC region in achieving efficiency in charging policy has to be achieved.

Different issues can contribute to different charge structures. Attitudes about the environment help determine whether road users are charged for environmental damage; the level of institutional and technological sophistication, as well as historical factors, influence the charging policy; and economic and political considerations vary and determine the objectives upon which charging policy is based.

Country-specific circumstances can be very important in shaping road user charging policy. For instance, the instruments available for charging road users vary from country to country and influence the extent to which social marginal costs are reflected in road user charges.

This provides an important lesson to recognize the special needs and circumstances of the country and incorporate these needs into any program. The provision of a standard harmonized prescription will have to be studied and cannot be advised within this study.

An analysis and further research is necessary in order to decide whether a harmonization of different charging systems is meaningful or not.

Considering the lack of knowledge in the light of a number of different charging systems in the BSEC region, it is strongly recommended that further research will be investigated on impacts of harmonization of charging policies on this region.

4.9 Underdeveloped intermodal transport (RoRo / RoLa)

Problem identification

Background

Given the problems in the BSEC area in the field of road transport permits, road infrastructure, tolls and road user charges and customs procedures, and given the fact that RoRo/RoLa traffic is considered to be more environmental friendly than road transport, one would expect RoRo traffic to be highly popular in the Black Sea area.

¹<http://www.internationaltransportforum.org/europe/ecmt/paneurop/Paris2003/IRU.pdf>

In reality it appears that RoRo/RoLa transport is not very popular among hauliers from BSEC countries. There seem to be several reasons for this:

- Lack of bilateral road transport permits
Apparently some countries require bilateral transport permits from hauliers that make use of RoRo services. Lack of these permits or even uncertainty regarding the availability of permits negatively influences the use of intermodal transport.
- High prices due to a lack of competition between RoRo operators
Overall hauliers seem to be unsatisfied with the price of RoRo services, and associations indicate that high prices are a result of poor competition.
- Uncertain schedules
Schedules of RoRo services are sometimes not met because vessels wait until trucks that are already in the terminal area have received permits. Vessels cannot leave without these trucks because then the trip would not be profitable. This problem is related to the fact that apparently some countries deliver their permits to other countries not once a year but in portions.
- No optimal circumstances at terminals and onboard ships.
A survey carried out by BSEC-URTA reveals that circumstances at terminals and onboard vessels are not always appreciated by drivers.

Alternative solutions

The following alternatives could contribute to the development of intermodal transport in the Black Sea area:

- **Permit exemption for users of intermodal services**

Many countries in Europe stimulate the use of RoRo/RoLa services by exempting intermodal transport from the requirement to use road transport permits. The reason behind this is that intermodal transport is considered to be more environmental friendly and reduces road traffic.

Advantage

- Positive influence on the use of RoRo/RoLa services
- Partial replacement of road transport by more environmental friendly maritime transport
- More use of RoRo services will stimulate competition which in turn can be expected to lower prices and enhance the overall quality of services at terminals and onboard vessels.

Disadvantage

- Countries will have fewer possibilities to control market shares.

- **International co-operation between hauliers**

At this stage it is not clear whether countries that require road transport permits for users of RoRo services also require this in the case of unaccompanied trailers and semi-trailers. If this is not the case – which is more or less common international practice – co-operation between hauliers could contribute to the solution of the problem of lack of permits.

If transport using unaccompanied trailers and semi-trailers is exempted from the requirement to use transport permits, international co-operation between hauliers could stimulate the use of RoRo services.

The challenge for stakeholders like road transport associations and RoRo operators would be to organise events like trade missions to bring hauliers from different countries together

- **Timely distribution of permits**

Timely exchange of permits between countries, and timely distribution of these permits by governments or associations among hauliers would eliminate at least the uncertainty regarding the availability of permits.

- **Involvement in initiatives to stimulate intermodal transport**

There are several initiatives to stimulate intermodal transport in the Black Sea. Soon a project will start called "Motorways of the Sea", which is aimed at stimulating intermodal transport in the Caspian Sea and the Black Sea. Furthermore, projects in the framework of TRACECA also aim to stimulate intermodal transport in the area.

4.10 UN Conventions

Not all BSEC Member States have signed the key UN transport Conventions and agreements. The ratification and implementation of these conventions, as well as the Conventions and Agreements of other important international organizations and institutions (ex. WCO) create a solid foundation for the harmonized development of the road transport within the concerned region.

Problem identification

NEA analyzed the actual status of participation of BSEC Member States in UN/ECE Conventions. The following table gives an overview.

UNECE ROAD TRANSPORT RELATED AGREEMENTS / CONVENTIONS
Status in September 2008

	UNECE Convent./Road Transport	BSEC Member States											
		AL	AR	AZ	BG	GE	GR	MD	RO	RUS	SRB	TR	UA
Infrastr.	Construction Traffic Arteries 1950				X		X		X		X	X	
	E Road Network 1975	X	X	X	X	X	X	X	X	X	X	X	X
	E Comb. Tr. Network, 1991	X			X	X	X	X	X	X	X	X	X
Road traffic and road safety	Road Traffic, 1949	X			X	X	X		X	X	X	X	
	Road Traffic, 1968	X	X	X	X	X	X	X	X	X	X	X	X
	Prot. Road Signs & Signals, 1949				X		X		X	X	X		
	Road Signs & Signals, 1968	X			X	X	X		X	X	X		X
	Suppl. 1968 Conv. Road Traffic, 1971	X			X	X	X	X	X	X	X		X
	Suppl. 1968 Road Signs & Signals, 1971	X			X	X	X		X	X	X		X
	Weights and Dimens,1950						X				X		
	Suppl.1949 Conv & Protocol, 1950						X				X		
	Road Markings, 1957	X			X				X		X	X	
	Protocol Road Markings1973	X			X	X	X			X	X		X
	Issue & Validity of Driving Permits				X						X		
Vehic les	Vehicle Regulations, 1958			X	X		X		X	X	X	X	X
	Tech. Inspect. Vehicles,1997	X			X	X	X	X	X	X			X
	Global Vehicles Reg., 1998			X				X	X	X		X	
Other legal instruments	Work of Crews Intl. Road Transport(AETR) 1970	X	X	X	X		X	X	X	X	X	X	X
	Tax Priv Road Vehic, 1956							X	X		X		
	Taxation Road Passengers Vehicles, 1956								X		X		
	Tax Road Goods Vehic 1956								X		X		
	Contract Road Goods Transport(CMR) 1956	X	X	X	X	X	X	X	X	X	X	X	X
	Protocol to CMR, 1978	X	X			X	X	X	X			X	
	Contract Passengers and Lugg. Road Trans(CVR)1973										X		X
	Protocol to CVR, 1978												
Border crossing facilitation	Econ. Reg. Road Trans1954						X				X		
	Touring Facilities, 1954				X		X		X	X	X	X	
	Protocol Touring Facilities,54				X		X		X	X	X	X	
	Temp. Imp. Priv. Road Vehicles, 1954	X			X				X	X	X	X	
	TIR Convention, 1959	X			X		X		X	X		X	
	TIR Convention, 1975	X	X	X	X	X	X	X	X	X	X	X	X
	Temp. Imp. Commercial. Vehicles, 1956			X	X		X		X		X	X	
	Customs Cont Conv, 1956				X		X		X		X		
	Customs Cont Conv, 1972		X	X	X	X	X		X	X	X	X	X
	Customs Treatment Pallets, 1960				X				X		X	X	
Dangerous goods	Harmonization Frontier Controls of Goods, 1982	X	X	X	X	X	X		X	X	X	X	X
	Customs Pool Cont, 1994												
	Dang. Goods by Roads(ADR) 1957	X		X	X		X	X	X	X	X		X
	Protocol to ADR, 1993	X			X		X	X	X	X			
Dangerous goods	ab.Dang.Goods-CRTD1989												
	Perishab.Foodstuff-ATP,1970	X		X	X	X	X	X	X	X	X		X
BSEC Member State participation to UNECE Road Transport related Conventions		20	8	12	29	14	29	14	32	24	33	19	17

This table shows that only three important Conventions have been signed by all BSEC Member States:

- European Agreement on Main International Traffic Arteries, of 15 November 1975;
- Convention on the Contract for the International Carriage of Goods by Road (CMR), of 19 May 1956;
- Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention), of 14 November 1975.

The same situation is observed as regards WCO Conventions. Above mentioned conventions represent a special interest for the realization of the specific objectives of this MoU.

WCO CONVENTIONS Status in August 2008

Nr.	WCO Convention	BSEC Member States											
		AL	AR	AZ	BG	GE	GR	MD	RO	RUS	SRB	TR	UA
1	Convention on the Harmonized Commodity Description and Coding System			X	X		X	X	X	X	X	X	X
2	ATA Convention				X	X			X	X	X	X	
3	Istanbul Convention				X		X		X	X		X	X
4	International Convention on the simplification and harmonization of Customs procedures			X	X		X				X		
5	Johannesburg Convention on mutual administrative assistance in customs matters	X											
BSEC Member State participation to WCO Conventions		1	-	2	4	1	3	1	3	3	3	3	2

Nine BSEC Member States are the members of the World Trade Organisation (WTO). Azerbaijan, Russian Federation and Serbia have "Observer" status. WTO membership encompasses different agreements and arrangements aimed at the facilitation of trade between its Member States. WTO membership entails accepting all the results of the Uruguay Round. The GATT (General Agreement on Tariffs and Trade), the GATS (General Agreement on Trade and Services), the Agreement on Implementation of Article VII (Customs Valuation), the Agreement on Preshipment Inspection are those that dealing with some cross-border issues between Member states.

Alternative solutions

The common signature and implementation of international conventions and regulations through BSEC Member States are essential for the achievement of the different objectives within the MoU. It increases the harmonization of the regulatory frameworks in road transport within BSEC. To speed up the process of signing and implementing the key UN Transport Conventions and international agreements the following steps are recommended:

- **Identify national barriers regarding the implementation of conventions and agreements.**

It is necessary to understand why some countries are not signing the international Conventions. In order to eliminate the obstacles and facilitate the process of signature, the barriers should be identified in BSEC countries.

- **Exchange experiences and support countries in their process of signing and implementing priority conventions and agreements**

In order to facilitate the signature of the Conventions by the countries it is necessary to exchange experiences and best practices in this field.

- **Continue identifying priority conventions and agreements in co-operation with stakeholders like the IRU, BSEC-URTA and national transport associations.**

Specific topics of the BSEC MoU are covered through different UN and WCO Conventions and other international agreements. BSEC should continue on prioritising the Conventions in order to facilitate road transport. Those Conventions which are high priority Conventions should be signed and implemented through prioritisation. Then it would be possible to create a road map in order to achieve BSEC standards in road transport step by step. It is recommended to continue the process of identification of priority conventions and agreements in order to create the further basis for the harmonization and facilitation of road transport in BSEC Member States.

4.11 Social regulations on driving and rest time

Problem identification

The European Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport (AETR), done on 1 July 1970, aims at preventing drivers and crews of commercial vehicles of more than 3.5 tonnes, or transporting more than 9 people, engaged in international road transport, from driving excessive hours, as this increases the risk of serious road accidents and may create disparities in the working conditions of this category of workers and in the competition conditions of their companies.

To this end, the AETR regulates the driving and rest periods of those professional drivers. The Agreement also defines the on board control device, the so-called tachograph, that is used to control those periods, and sets up the general provisions as well as all technical requirements for the construction, testing, installation and inspection of the device.

Additionally, the AETR also sets up requirements for the checking of driving hours by the competent authorities of Contracting Parties. The AETR was amended to introduce the digital tachograph, which, contrary to the mechanical tachographs, will be tamper proof and cannot be manipulated. By regulating the driving and rest periods of drivers of heavy commercial vehicles engaged in international transport, the AETR creates a level playing field in the road haulage industry and helps prevent road accidents caused by fatigue. These accidents may be all the more serious as vehicles involved are heavy goods vehicles or carry a large number of passengers.

The main objectives of the new digital tachograph is to:

- Improve enforcement
- Enhance fair competition
- Increase road safety
- Maintain satisfactory social standards

On 16 June 2006 new amendments to the AETR Agreement entered into force concerning the use of digital tachographs by vehicles operating under its provisions. Article 13 of the revised AETR agreement now states that after a period of four years (i.e. 16 June 2010) all vehicles covered by AETR rules and put into service for the first time, must be fitted with a digital tachograph manufactured and type approved according to the technical specifications detailed in the new Appendix 1 B of the AETR Agreement. From that date these devices must be installed, controlled and used according to the general rules laid down in the AETR Agreement's annex1.

Currently, the only digital tachograph in use in the EU and in the non-EU AETR contracting parties is the EU model digital tachograph.

The European Agreement Concerning the Work of Crews of Vehicles engaged in International Road Transport (AETR) concluded under the auspices of the UNECE on 1 July 1970 (<http://www.unece.org/trans/doc/2006/sc1/ECE-TRANS-SC1-2006-02e.pdf>), has long ensured that the same rules governing driving and rest periods are applied to most international road transport journeys throughout the EU, the wider European continent and beyond, and in any case on the territory of its Contracting Parties (see Annex 1 for a list of Contracting Parties). This consistency of rules and the establishment of equal conditions for all road transport operators within this region has played an important role in the integration of a pan-European road transport market.

However, on 11 April 2007 a new EU Driving and Rest Time Rules Regulation (561/2006/EC) came into force within the European Union and has created a situation where two different sets of driving and rest time rules are simultaneously in operation inside the combined territories of AETR Contracting Parties.

European Union wishes to see its new rules adopted throughout the AETR region, Article 3 of EU Regulation 561/2006/EC states that the AETR agreement should be harmonised with the provisions of the new EU Regulation, ideally within two years of its entry into force (i.e. by 11 April 2009).

It is clearly desirable to have a single set of harmonised rules, and this was the original and sole objective of the AETR Agreement. However, it is necessary to ask the question to what extent completely harmonised legislation is practically possible.

The following table shows a comparison of the main provisions of the current AETR Agreement with EU Regulation 561/2006/EC with which the EU wishes the AETR to be harmonised.

MAIN PROVISIONS	EXISTING AETR AGREEMENT	EU REGULATION 561/2006/EC – & PROPOSALS FOR AMENDING THE AETR AGREEMENT
Maximum Daily Driving Time	<ul style="list-style-type: none"> - Maximum 9 hours driving time - 10 hours possible twice per week 	<ul style="list-style-type: none"> - Maximum 9 hours driving time - 10 hours possible twice per week
Maximum Weekly Driving Time	<ul style="list-style-type: none"> - 90 hours per two calendar weeks 	<ul style="list-style-type: none"> - 90 hours per two calendar weeks - <u>56 hours per week</u>
Breaks	<ul style="list-style-type: none"> - 4.5 hours driving = 45 minutes break during or immediately after driving period - The 45 minute break can be split into periods >15 minutes, i.e..... 15 + 15+ 15 <u>or</u> 30 +15 <u>or</u> 15 + 30 	<ul style="list-style-type: none"> - 4.5 hours driving = 45 minutes break during or immediately after driving period - 45 minutes split break can only be: <u>15 minutes + 30 minutes</u>
Daily Rest Periods	<ul style="list-style-type: none"> - 11 hours Undivided daily rest OR - 12 hours split daily rest in 2 or 3 periods (1 period must be ≥ 8 hours) - Maximum 3 Reduced daily rests of 9 hours per week. - Compensation before end of following week. 	<ul style="list-style-type: none"> - 11 hours Undivided daily rest OR - 12 hours split daily rest in <u>2 periods (3 hours + 9 hours ONLY)</u> - Maximum 3 Reduced daily rests of 9 hours per week - <u>No more compensation for reduced daily rest</u>
Weekly Rest Periods	<ul style="list-style-type: none"> - 45 Hours Regular weekly rest following six daily driving periods OR - 36 hours reduced 	<ul style="list-style-type: none"> - 45 Hours Regular weekly rest following six <u>24 hour periods</u> OR - 24 hours reduced

	<p>weekly rest at base. (compensation by end of third week)</p> <p>OR</p> <ul style="list-style-type: none"> - 24 hours reduced weekly rest away from base. (compensation by end of third week) 	<p>weekly rest (at or away from base).</p> <ul style="list-style-type: none"> - In any two consecutive weeks at least one weekly rest must be 45 hours. - Compensation must still be given by end of third week <p><i>(No longer possible to reduce weekly rest on consecutive weeks)</i></p>
12 day rule for occasional international passenger transport	<ul style="list-style-type: none"> - Permits drivers engaged in occasional international passenger transport to drive for up to 12 consecutive days before taking a weekly rest 	<ul style="list-style-type: none"> - Deletes this derogation - Such drivers must take rest after 6 consecutive driving days
Liability for infringements	<ul style="list-style-type: none"> - Drivers face liability for infringements unless it can be proved otherwise 	<ul style="list-style-type: none"> - Employers face primary responsibility for infringements unless it can be proved otherwise
Extraterritoriality principle for infringements	<ul style="list-style-type: none"> - Enforcement officers are able to impose fines on foreign drivers for infringements both committed and detected on their territory 	<ul style="list-style-type: none"> - Enforcement officers are able to impose fines on foreign companies / drivers for infringements that were detected and committed on their territory or both detected on their territory but committed in another Member State or Contracting Party

At first sight the existing AETR provisions and the new proposals from the EU appear to be very similar in many areas of the legislation. However there are numerous differences. Overall six major changes will have a negative impact on the way the road transport sector manages its AETR operations.

1. The new requirement for a full 45 hour weekly rest every second week
2. Deletion of the 12 day derogation for occasional international passenger transport
3. Less flexibility in splitting daily rest requirements,
4. Less flexible break patterns,
5. Reversal of the burden of proof from drivers to employers for infringements committed.
6. Less clarity in the rules.

The use of the digital tachograph requires the establishment of sophisticated infrastructure, specific interoperable databases and complex security policies at the national level and well developed communication interfaces between AETR countries.

Important points for implementation of the Digital tachograph:

a) It is now clear that there is not enough time before 16 June 2010 for non-EU Contracting Parties to put in place the requested infrastructure and measures, including the necessary legal, technical and administrative framework to ensure the harmonised proper usage, security, functioning and control of the digital tachograph.

b) A new appropriate deadline for the introduction of the digital tachograph should be based – as is the case for the adoption of any new international convention or agreement - on an appropriate number of Contracting Parties (for example, 3/4 of Contracting Parties) where the implementation of the required tasks and framework is fully realised. The new implementation date of the digital tachograph, should be decided by a future UNECE SC.1 meeting.

c) The UNECE SC1 Working Party should establish a 'Working Implementation Plan' drawing up a comprehensive and detailed overview of necessary tasks and guidance on how to complete them.

d) The UNECE SC1 Working Party should also facilitate the transfer of experience and expertise to non-EU AETR Contracting Parties through a structured and intensive assistance programme (similar to IDT and MIDT projects² which EU member States benefitted from). The financing of such a project could be supported by the creation of a trust fund managed by the UNECE.

e) It should also coordinate the nomination the Contracting Parties' authorised competent national authority which is to be responsible for the coordination and national implementation of the digital tachograph.

f) The supervision and monitoring of progress towards readiness in the various AETR Contracting Parties should result from continual assessments of real progress by the UNECE SC.1 (or the AETR Administrative Committee to be established).

g) Until the new deadline is implemented, the transitional enforcement arrangements contained in Article 13 of the Agreement and article 14 of its annex should be extended and applied.

h) Finally, Article 22 of the AETR Agreement should be revised so that any non-EU AETR Contracting Parties should have the right to propose any improvement to the digital tachograph's technical specifications and that any new technical decisions should be approved exclusively by the UNECE SC.13.

4.12 EU Proposed harmonisation of the Agreement with EU Driving and Rest Time Rules

Article 3 of the new EU Driving and Rest Time Rules Regulation (561/2006/EC) contains the stated objective that the EU will seek the harmonisation of the AETR Agreement with the provisions of the EU legislation, ideally by 11 April 2009.

The fundamental objective of efforts to update AETR Agreement's provisions on driving and rest times in line with EU Regulation 561/2006/EC must be to improve the comfort of the driver, road safety and to prevent any discrimination on the transport in the AETR region. A priority is also the creation of a single framework of rules covering all international transport operations on the territory of the AETR's Contracting Parties.

To obtain these objectives, these rules must be implemented for all drivers in the same way, on a given territory, by taking into account the specificities and requirements of the whole AETR region. Any adaptations the AETR must take due consideration of the full range of interests, legal frameworks and operational requirements and geography represented by its signatories.

The wide differences existing in geographical, transport and traffic conditions between EU and non-EU AETR countries explain the substantial objections that have been raised by non-EU AETR Contracting Parties to the proposed EU amendments. In fact, in their view, the current EU rules developed to meet the EU conditions are not a suitable basis for a regulatory framework of driving and rest time rules beyond the EU territory. Before proceeding any further with this harmonisation process it is necessary to reconfigure or to remove altogether some elements of the EU rules that are evidently unsuitable for application in the wider AETR region.

To summarise:

a) Satisfactory solutions must be found for those questions as yet unsettled during the current UNECE negotiations. In particular non-EU AETR countries want to retain within the AETR Agreement the possibility for drivers engaged in occasional international passenger transport to drive for up to 12 consecutive days before taking weekly rest.

They want also to maintain as closely as possible the current AETR rules on weekly rest: notably the ability not to have to take a mandatory regular weekly rest of 45 hours every second week, but instead retain rules that allow the taking of reduced weekly rest periods of 24 hours with appropriate compensation given to the driver before the end of the third week following the week in which the reduced rest period is taken.

b) Furthermore the current negotiations concerning the proposed harmonisation of the AETR Agreement with EU driving and rest time rules must also settle the issue of "applicable law" in various territories. It should be acknowledged that an international convention such as the AETR always prevails over regional level arrangements.

This problem arises from article 2.3 of Regulation 561/2006/EC that states that the EU Regulation shall apply, irrespective of the country of registration of the vehicle, to any journey carried out exclusively within the Community. This would imply that a Russian driver could operate under AETR rules on a journey from Moscow to Tallinn, but would have to follow EU Regulation 561/2006/EC if the same truck then travelled from Tallinn to make a delivery in Riga.

This interpretation is not acceptable to non-EU Contracting Parties who maintain that the application of EU rules such as Regulation 561/2006/EC to non-EU operators who have not consented to this EU agreement – as EU member States have done - would be an illegal, when a higher legal instrument on the same subject, namely the AETR Agreement should take precedence for all international transport operations between all Contracting AETR Parties.

c) In short, the AETR Agreement must remain applicable for all 'international transport' by non-EU operators whenever a Contracting Party's frontier is crossed. Domestic or applicable national rules will apply to foreign operators only if a transport operation takes place entirely within the territory of a single Contracting Party.

Some additional remarks from ASMAP:

On 8 September 2008 an informal meeting of the representatives of administrations and public organizations of the Russian Federation, Ukraine, Belarus, on the one hand, and the representatives of the European Commission, Secretariat of the SC.1, on the other hand, took place. As the result of this meeting, the compromise decisions were found on the problematic issues concerning social regulation on driving and rest time, defined in the AETR and similar rules defined by the EU Regulation 561/2006/EC.

These decisions were sent to the competent authorities of the CIS countries and other interested countries, as well as reported at the meeting of BSEC-URTA on 28 November 2008.

Law enforcement of the AETR and EU Regulation 561/2006/EC

The representatives of the Republic of Belarus, the Russian Federation and Ukraine delivered a written statement on this issue, which should be transferred by the SC.1 Secretariat to the UN Office of Legal Affairs in New York.

Implementation of digital tachographs in non-EU AETR member countries

The Working Party has approved the draft Memorandum between the UNECE, the European Commission and the Joint Research Centre (JRC) according to which the functions of the AETR Rout Certification Authority will be temporally entrusted to the European Route Certification Authority. The SC.1 also decided to establish an ad hoc UNECE Expert Group to accompany the introduction of the digital tachograph in non-EU AETR Contracting Parties. The first meeting of this group will take place on 2 December 2008.

Alternative solutions

The following challenges concerning national implementation will still remain and should be solved:

Type approval

The AETR requires that Contracting Parties are able through their nominated national bodies to manage the type approval process and where appropriate award type approval certificates to any manufacturer of digital tachographs and or tachograph cards who submits an application for their product.

The Type Approval procedure is defined in the annex to the AETR and its Appendix 1B containing the technical specifications for tachograph units and cards.

Issues to be solved:

Annex 1B of EU Regulation 3821/85/EC is still to be translated into Russian – the most commonly understood language in the wider AETR region – so that national authorities can start their preparations. Which single laboratory will be nominated by Contracting Parties to issue interoperability tests? Is DG JRC acceptable to all Contracting Parties? What mechanism will Contracting Parties use for exchanging information on type approval applications? How will disputes over type approval awards be resolved without a mediating body equivalent to the European Commission?

Encryption key security and ERCA policy

While the AETR Agreement and the technical specifications contained in Appendix 1B set certain security requirements, they were not considered sufficient at EU level to guarantee the integrity of the digital tachograph system. To address this Member States and the Commission agreed to establish a European Route Certification Authority (ERCA) and an accompanying security policy to manage the generation, issuing and usage of the cryptographic keys and key certificates used for the secure messaging, digital signatures, and mutual authentication of data generated and registered by the digital tachograph and the various associated cards.

Issues to be solved:

While there is no legal obligation via the AETR for non-EU AETR Contracting Parties to establish an AETR Route Certification Authority (ARCA) and Security policy similar to the ERCA which exists in the EU, it is nevertheless essential to ensure a high level of system security. An official body within the AETR must be able to determine on the basis of binding and common rules if a country has established suitable policies and frameworks to fulfil critical functions such as the secure issuing of electronic encryption keys / codes must be addressed

Workshop approval

Approved workshops along with card issuing are the two indispensable pillars of the digital tachograph system for which Contracting Parties are responsible. Article 9.1 of the AETR Agreement states that control devices may only be installed, calibrated or repaired by fitters and workshops that have been approved by the competent authorities of AETR Contracting Parties.

Approved workshops also have the function of carrying out periodic inspections of the equipment and decommissioning digital tachographs at the end of their life cycle. These functions and responsibilities are described in requirements 239 – 261 of appendix 1B of the AETR Agreement.

Issues to be solved:

By virtue of the sensitive functions performed by approved workshops there is a potential for them to become weak points for the integrity of the digital tachograph system if not properly managed.

A strong workshop certification and auditing process will require that Contracting Parties establish a suitable legal basis at national level. Indeed, workshop approval proved to be one of the most time consuming tasks faced by EU Member States in their implementation process.

Card issuing, Tachonet and Information exchange

Card issuing represents the second key supporting pillar for the digital tachograph system. Article 13.2 a) requires Contracting Parties to be able to issue cards (and have approved workshops) at least three months before the expiry of the deadline requiring their compulsory use in new vehicles used in AETR operations.

Contracting Parties are required to appoint a responsible Card Issuing Authority (CIA) to issue the following smart tachograph cards:

- Driver Cards
- Company Cards
- Control Cards
- Workshop Cards

In addition to ERCA policy, experience at EU level has clearly demonstrated the value of a second security feature for card authentication known as Tachonet. This electronic information exchange system allows enforcement authorities to check the databases of all EU Card Issuing Authorities, to check the validity of a driver card or to check if a driver has been issued with more than one card

Issues to be solved:

The basic legally prescribed security requirements for card issuing must be supplemented at AETR level by an ERCA style security policy to include guidelines for card issuing and encryption key management as well as incorporating all Contracting Parties into a 'Tachonet' information exchange system.

More generally there is an overall absence of a common interface to connect all national databases and of mechanisms for sharing all relevant information between Contracting Parties and managing the digital tachograph system.

Conclusion:

Most of the BSEC countries have already signed the AETR convention. The implementation of the convention should be enforced. BSEC countries could support each other in the implementation process of the digital tachograph. In particular Best practices within BSEC countries could be exchanged and experiences within the framework of seminars or workshops could be disseminated. BSEC members could define a common methodology for information exchange between BSEC States.

4.13 Dangerous goods, perishable goods

Problem identification

The European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR), of 1957, aims at ensuring the highest possible level of safety in the transport of dangerous goods at an economically acceptable cost. It identifies the substances that are considered as dangerous goods and that can be admitted in international transport as well as those that cannot be admitted.

ADR include the classification of substances according to their specific type of danger (explosives, flammable liquids, flammable gases, corrosive substances, etc.), packing conditions, labelling, marking, placarding, documentation and special requirements for tanks.

The ADR also contains requirements on transport operations, driver training as well as vehicle construction and approval. Security provisions have recently been included. The Annexes to the ADR are usually amended every two years. While obliging Contracting Parties to accept vehicles coming from other Parties if they comply with the ADR, the Agreement preserves the right of Contracting Parties to prohibit, for reasons other than safety during carriage, the entry of dangerous goods into their territory.

The ADR provides for a high level of safety and security during international carriage of dangerous goods.

The ADR convention 1957 is not still signed through all BSEC member countries. The purpose of this agreement is to allow the carriage of dangerous goods freely throughout the countries that are bound by that agreement.

Alternative solutions

In order to allow the carriage of dangerous goods freely through BSEC countries, there is a need of signing the relevant conventions by all member states within BSEC. Those countries which have already best practices in implementing the conventions could share their experiences with other BSEC members.