PACCARWORLD

# DAF in action

Magazine of DAF Trucks N.V.

number 3, 2007


*DAF Trucks at the European Road Transport Show 2007 at the RAI in Amsterdam:*

## *Attention to the Environment, Naturally*

THE EUROPEAN ROAD TRANSPORT SHOW 2007

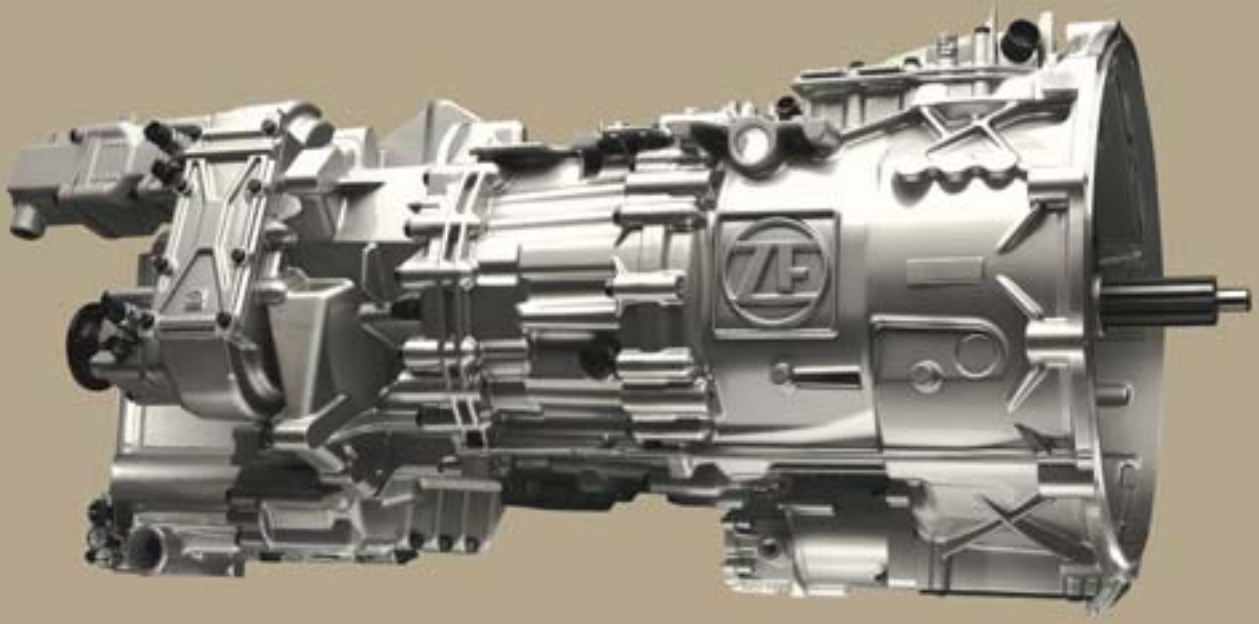
DAF

A PACCAR COMPANY

# ZF technology – the intelligent choice.

Nº 1

## Automatically efficient with AS-Tronic on board.



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Driveline and Chassis Technology

In this issue



# Attention to the environment, naturally!

*DAF Trucks has been designing and manufacturing diesel engines for exactly 50 years. During this time, the company has built up a fantastic reputation as a manufacturer of reliable, durable, economical, quiet and clean engines for trucks and buses. And there is no end to the developments. Whilst we are currently producing engines that already meet the Euro 5 emission values of 2009, at the European Road Transport Show at the RAI in Amsterdam we are once again presenting the next step forwards: EEV, which stands for Enhanced Environmentally friendly Vehicles. These engines are even cleaner and emit no less than 96% fewer solid particles and 75% less $NO_x$ than the Euro 1 engines from fifteen years ago. Thanks to huge efforts in development, the latest diesel engine has now achieved emission values that it was assumed until recently could only be achieved with gas engines. Now, the diesel engine is at least as clean as a gas engine, and has also been proven to be reliable and affordable. The diesel engine is nearing the 'zero emission line'. We must realise that the steps we can still take now to reduce emissions even further will be marginal in absolute terms, but will require a disproportionate amount of investment. In addition, we must be careful that this does not lead to an increase in fuel consumption and therefore $CO_2$ production. And of course there are technical possibilities for making goods and passenger transport even more durable. At the RAI, for example, we will be presenting hybrid technology for distribution transport that is under intensive development. Biodiesel is also an option in our aim for more $CO_2$ neutral transport, although the possibilities must not be overestimated. You only have to think of the size of the area needed to cultivate the necessary crops. However, while the industry is putting in a lot of effort in terms of development to make the diesel engine even cleaner, there are numerous possibilities that have a far more positive effect on the environment. Take, for example, the application of longer and heavier vehicles; or free truck lanes and better guidance of traffic for an improved flow of freight transport in Europe. And last but not least: incentive programs at European level to replace Euro 1 and Euro 2 trucks and buses as quickly as possible. These vehicles do not even have to be scrapped. They can be exported to countries where there are still a large number of trucks and buses driving around that do not even meet the Euro 1 requirements. This would ensure a major step forwards towards more durable road transport even at worldwide level. 'Even more durable road transport' I should say, as an enormous amount has already been achieved. This is because, for the truck industry as a whole and for DAF in particular, attention to the environment has been a matter of course for years. This is why our theme at the RAI will be: Attention to the environment, naturally.*

*Ron Borsboom*

*Member of the Board of Management, Director of Product Development*


## Colophon

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***Edited by: Corporate Communications department***
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## Striking Tippers

British company City Centre Commercials (CCC) has recently acquired two strikingly coloured CF85 tippers, which are driven by Susan Cubley and Sarah Farragher. Managing Director Pat Beckett is hoping the pink colour of the trucks will show that the harsh world of tipper transport is not reserved just for men. “Finding and keeping high-calibre drivers can be a problem these days”, she says. “And in Susan and Sarah we’ve got two excellent drivers. So giving them a top-of-the-range truck like the DAF CF85 and painting the truck in a colour that people associate with femininity could help encourage other women to think about truck driving as a career.”


## Retirement after 1.8 Million km

With 1.8 million kilometres on the clock, this DAF 3300 Space Cab, built in 1984, was recently offered on loan to the DAF Museum in Eindhoven by Veenstra, a company from the Frisian village of Heeg. “It was the first Space Cab in the north of the Netherlands, a revolutionary truck”, says Wiebren Wind, the first driver of the 3300, who drove it abroad. “At the time, the space created in the cab by the heightened roof was unique.” In recent years, the DAF vehicle has been used for regional transport. (www.dafmuseum.nl)

***Wiebren Wind was the first driver of the 3300.***



## XF105 Truck of the Year in Poland

**The XF105 was recently voted 'Truck of the Year in Poland' for the second consecutive year by the readers of leading Polish transport magazine Polski Traker. In the fourteen years that the prize has been awarded, DAF is the only brand to have won the accolade four times: The 95XF was declared the winner in 1998, with the CF85 following in its footsteps a year later, and now the XF105 has enjoyed a two-year winning streak.**

After the winner's plaque was presented to the management of DAF Trucks in Eindhoven earlier this year, a second accolade was presented by Boguslawa Zimmer (left) and Aleksander Gluś (centre) from Polski Traker to Zbigniew Kolodziejek, Marketing Director of DAF Trucks Poland. This presentation took place during a truck meeting in Krakow.

The main factors that prompted the readers of Polski Traker to vote for the XF105 were its new PACCAR MX engine, its modern and comfortable interior and DAF's commitment to improving driver comfort and reducing costs for the transport operator.

# 35 Years of DAF ITS

**In 1972, DAF introduced an international assistance service that stranded drivers could call on for help; we were the first truck manufacturer to offer this facility. This year marks the 35th anniversary of the service. Just as it was back in 1972, DAF International Truck Service (ITS) is still a pioneering force in the commercial vehicles industry, and is one of the most valued and professional service organisations.**

Initially, ITS consisted of just a few employees and a card-index box. Today, if you call +31 40 214 30 00 you will almost immediately be connected to one of the many operators, all of whom speak a minimum of four languages. These operators can offer ITS drivers assistance in a total of fifteen different languages. Modern computer equipment ensures that the nearest DAF service point to the stranded vehicle can be determined extremely quickly. Assistance is not only limited to the vehicle itself, but can also be provided for the trailer, the superstructure or the driver. DAF customers can be assured of prompt assistance in the event of a breakdown or accident in no less than 41 countries.

# DAF Environmental Brochure

**At DAF, caring for the environment is a matter of course in all our business activities. As early as 1993, the company started setting up an environmental protection system in accordance with the international ISO 14001 standard. This system covers all the company's activities and locations.**

The content and results of DAF's comprehensive environmental policy are explained in the new brochure 'DAF and the Environment'. The brochure addresses the environmental aspects relating to both the products and the production processes. The brochure is available in Dutch, English, German, French, Spanish, Italian and Polish and can be downloaded at www.daf.com.


*From left to right: Mayor Daandels of Deurne, Prime Minister Balkenende, Mrs Tiny Hohmann-Van Doorne and Mr Hub van Doorne, both children of Mr and Mrs Van Doorne.*

# Van Doorne's Glory

**In mid-August, the Dutch Prime Minister Balkenende unveiled a statue of DAF founder Hub van Doorne and his wife Rie. The bronze statue by the artist Martien Hendriks can be found in the municipality of Deurne, where Van Doorne lived for most of his life. The unveiling was cause for a major two-day event entitled 'Van Doorne's Glory', which included an official procession of more than 500 classic DAF vehicles: trucks, passenger cars and army vehicles.**

*Ron Borsboom, Director Product Development (on the left in the photo) and Mr A. Lundqvist, Chairman of the Executive Board of the TU/e, opened the new hybrid lab with one press of a button.*

# Hybrid Lab Opens at TU/e

A completely new hybrid laboratory has been commissioned at the Technical University of Eindhoven (TU/e); this new facility has been made possible partly thanks to support from the PACCAR Foundation. "The new lab can play an important part in the testing and further development of promising hybrid technology", explains Ron Borsboom, Director Product Development, who performed the official opening. Unique to the hybrid laboratory is the 250 kW electric motor, which can be used to simulate extremely heavy vehicle braking. PACCAR's goal is to achieve an improvement in fuel efficiency of up to 30% with specific, medium-duty vehicles. Hybrid technology in particular will be used to achieve this goal.

## DAF Trucks at the European Road Transport Show 2007 at the RAI in Am

# Attention to the Envi

***Amsterdam, 26 October to 3 November, European Road Transport Show 2007: DAF will be presenting its fully updated range of models, now including Euro 5 LF versions. DAF will also present a new Space Cab roof for the CF85 and a large number of enhancements for the CF construction vehicles. Part of the DAF stand is equipped with technologies for an even cleaner future, including an EEV version of the LF and the prototype of a hybrid truck.***


*The CF updated Space Cab roof that, like the XF105, can be specified with Skylights as an option.*

The DAF stand is, as is traditional, prominently located at the top of the Europahal. It covers 2200 $m^2$ and offers space for no less than nine vehicles, including a number with superstructures. DAF will, of course, show its complete product range: the LF for distribution transport, the CF for a wide range of applications and the XF105, 'International Truck of the Year 2007' for international transport.

### *New CF Space Cab*

At the RAI, DAF will be showing the updated Space Cab roof for the CF series that, like the XF105, can be specified with Skylights as an option. DAF is also introducing on the CF series a number of changes to the construction vehicles to increase comfort and off-road mobility and to reduce susceptibility to damage even further. The double-drive tandem, for example, is fitted with silent blocks and various new steps have been developed. A specific adaptation of the 12-speed AS Tronic automated gearbox is available especially for 'off road' applications.

### *New, optional comfort mattress*

The vehicles in the CF and XF105 series are now both being delivered as standard with a warning signal that sounds if the driver does not use the seat belts. At the request of the drivers, a function that allows the accelerated closing of the door windows

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## THE EUROPEAN ROAD TRANSPORT SHOW 2007

***DAF will show its complete product range at the European Road Transport Show: the LF, the CF and the XF105, 'International Truck of the Year 2007' for international transport.***

is now also fitted as standard and on the driver's side a window shade with a roll-up system will be fitted. Like the XF105 models, versions with a sleeper cab of the CF Series will now be factory fitted with double thickness curtains to eliminate stray light sources at night.

From the beginning of 2008, the XF105 and the CF can be delivered with an optional new comfort mattress. Unlike the existing mattress with foam filling, which has already been chosen as the best bed in the industry by the drivers, the comfort mattress features pocket springs and a new tick fabric. It offers greater sleeping comfort and has even better moisture control characteristics, while also being extremely comfortable. The new comfort mattress is fitted as standard on the XF105 Super Space Cab.

At the same time as the comfort mattress is launched, both the CF and the XF105 series will be given four instead of two DIN slots above the windscreen (already standard on the XF105 Super Space Cab). This means that, in addition to the tachograph and audio equipment, the operating unit for the MAUT equipment (German road tax) can be nicely integrated.

### *Care for the environment as a matter of course*

At DAF, care for the environment is a matter of course. Indeed, DAF has been a leader in engine development for 50 years. In 1958, DAF was one of the first truck manufacturers to use a turbo in diesel engines for more power and lower fuel consumption at the same cubic capacity. At the start of the 1970s, DAF was the first to introduce turbo intercooling, which is now widely used in the truck industry to achieve high performance, lower fuel consumption and fewer emissions. DAF has always been in the lead in complying with future European emission standards and the company is now also one of the first truck manufacturers to adapt its models to meet Euro 5 emission limits, which will only become legally effective in 2009. When compared with the Euro 1 standard of around 15 years ago, these engines emit around 75% fewer nitrogen oxides and 94% less particulate matter.

### *EEV engines for LF, CF and XF105*

By fitting a passive soot filter, a further 50% reduction in particulate emissions can be

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* Rolling Resistance, Wet Braking and Noise Tests conducted by TÜV SÜD Automotive in June 2007 between Goodyear Marathon LHS II, Marathon LHD II and two premium competitors with tyres of the dimension 315/70 R 22,5 (Report 76223133-1)

*DAF will be presenting a prototype of an LF with promising hybrid technology at the European Road Transport Show at the RAI. The field test, in which vehicles are deployed by customers in everyday conditions, will start at the end of this year.*

*DAF started this year with delivery of PACCAR PR EEV engines for use in public transport; EEV versions of the 9.2-litre PR and 12.9-litre PACCAR engines will also be available for trucks in the spring of 2008. Fitting an open soot filter results in a value even lower than the EEV gas standard.*

achieved, resulting in a mere 0.015 grams/kWh for the 9.2-litre PACCAR PR engine. That is 25% lower than the EEV gas standard! Since DAF has already started to supply these PACCAR PR EEV engines for use in public transport this year, these engines will also become available in the spring of 2008 for the DAF CF75 distribution vehicles with power ratings from 250 to 360 hp. EEV versions of the 12.9-litre PACCAR MX engine in power ratings from 360 to 510 hp will also be available for the DAF CF85 and XF105 and will also be equipped with a passive soot filter.
An EEV 160-hp version of the LF is available especially for inner-city distribution. Due to the extremely efficient combustion process, the low EEV emission values in the LF are achieved even without the use of a soot filter.

### *Hybrid based on the LF*

DAF is presenting a prototype of an LF with promising hybrid technology at the European Road Transport Show 2007 at the RAI. The vehicle uses a parallel diesel/electric hybrid system, in which it is driven by the diesel engine, the electric motor or a combination of both. The prototype is equipped with the new 4.5-litre PACCAR FR (Euro 5/EEV) diesel engine with a maximum output of 118 kW/160 hp and is linked to a computerised Eaton six-speed gearbox (Autoshift). An electric motor has been installed between the clutch and the gearbox; this can provide the drive and also functions as a generator. Energy released during braking is stored in the lithium-ion batteries for re-use during acceleration. DAF Hybrid Technology can, depending on the specific use, result in a significant reduction in fuel consumption and emissions in distribution applications. With effect from the end of this year, DAF will be deploying the first prototypes for field tests with customers.

To underline the importance that DAF and its dealers (approx. 1000 sales and service dealers in Europe) place on excellent service to support their leading products, services such as PACCAR Financial, PACCAR Parts and TRP are being given a prominent place on the DAF stand, as will DAF's International Truck Service (ITS), MultiSupport Repair and Maintenance Contracts and the systems that are available to DAF dealers for giving our customers the best purchasing advice.

DAF dealers apply the 'one stop shop' formula: all services and support under one roof, so that the customer can concentrate on his core business.

## New: DAF Connect

With DAF Connect, DAF is introducing a new complete management system for the maintenance of the vehicle fleet and for optimising the efficiency of the workshop at self-repair companies. The new DAF Connect system means that vehicle information is always available quickly and clearly. For each vehicle it shows when maintenance and inspections should take place and looks to see if the parts required are in stock; it also provides ordering advice. DAF Connect also indicates unfinished work. All this helps the workshop to work more efficiently while the chance of errors is minimised and time is saved. This is also why all the information in a job order is entered using a barcode scanner. DAF Connect has been developed in such a way that it can be installed on existing computer systems. There are about forty standard reports varying from warehouse stock and efficiency per mechanic to, of course, the costs per vehicle.

## *Lorenzo Zaccheo, Managing Director Alcaline:*

# *"Challenging times for the*


***From the heat of southern Italy to the cooler climes of eastern Europe, international haulier Alcaline (UK) continues to steadily spread its operating network.***

DAF XF 95s and, more recently 105s, are the mainstay of their 40-strong UK fleet based at Ashford in Kent, close to the port of Dover and the channel tunnel. A further 50 vehicles operate out of their depot at Eede in The Netherlands and within easy reach of the German border.

### *Challenging times*

Managing Director Lorenzo Zaccheo, who started in the transport industry 26 years ago, says that these are very challenging times. "There can be few industries that have had to deal with such a constant succession of legislation changes within such a short period of time," he says. "In less than five years we've had the introduction of progressively tougher Euro emission standards, the arrival of digital tachographs, and the implementation of the Working Time Directive. Add rapidly rising fuel costs and a shortage of high calibre drivers into the equation and you've got a potent combination of new pressures to deal with that impact significantly on how you run your business."

### *New technologies*

Central to Alcaline's strategy in meeting these challenges is to make maximum use of new technologies. These include innovations within the trucks themselves to improve performance and fuel economy and telematics-based systems for tracking vehicles, communicating with drivers and customers, and improving overall efficiency and response times. The company uses GPS tracking and vehicle information system to achieve optimum utilisation. This provides the traffic office in the UK with real-time information on a truck's location wherever it is in Europe, allowing greater precision in providing customers with delivery times. Each driver has a laptop through which he receives instructions by

## *Alcaline and DAF*

***Not surprisingly, the widespread network of Alcaline means that its trucks are high milers. The company has at least ten XF95s that have achieved over one million kilometres and one that is approaching 1.5 million. "They're as good as new!" says Lorenzo Zaccheo. "With DAF we get a well-built, reliable truck and we also get the reassurance of a strong dealer network in each of the countries in which we operate. All of this is backed-up by DAF's International Truck Service, which provides 24/7 cover for when emergencies arise. ITS usually provides a good assessment of what is required and response times are fast."***

# transport industry”


e-mail and by which he can confirmation their receipt. With much of the company’s work in support of ‘Just In Time’ component supply systems of several major car producers, the ability to quickly re-route a vehicle to collect urgently needed parts is vital.

### *AdBlue no problem*

On the environmental front, Alcaline’s most recent XF105s meet the Euro 5 emissions standard which employs DAF’s SCR technology, and of course uses AdBlue. “We’ve not found AdBlue to be a problem,” says Lorenzo Zaccheo. “We have dispensing facilities at our major locations and we find that a single tank of AdBlue can see the truck out to southern Italy and back to its UK base without a top-up.”

### *Vehicle safety*

“New truck technologies are also helping to improve vehicle safety through the use of electronic braking systems, like ABS,” says Zaccheo. “Two of our DAFs are fitted with a camera mounted on the nearside step as a safety aid to avoid obstacles when manoeuvring. And automated gear-boxes are already in use in several vehicles in the fleet. All of these contribute to reducing driver stress and fatigue. In simple human terms this is clearly important, but it has a direct business benefit too. Productivity is increased because drivers are able to maintain better average speeds, covering more miles in the working day. And the potential for accidents, which can have very significant consequences even if quite minor, is reduced.”

### *Further east*

Alcaline’s main areas of operation are the UK, Italy and The Netherlands and it has offices in Turin, Bologna and Rome. Increasingly its distinctive silver-coloured trucks are running further east into Germany and Austria. Now, with the emerging markets of Eastern Europe beginning to offer opportunities, the company has opened an office in Katowice in Poland. The company bases its growth on long-term partnerships with its customers and on maintaining both focus and balance in its customer portfolio. Key sectors served are automotive, paper and steel – ensuring that it maintains a spread of business. “Our objective is to look for steady organic growth rather than a rapid expansion that is then not sustainable in the long term”, says Zaccheo.

### *Many changes*

He started in the transport business in 1981 - founding his present company in 1993 and has seen many changes over this time. “Transport operators have to be much more professional these days,” he says. “Customer expectations are higher, legislation is tougher, and the operating environment continues to become ever more demanding. It’s increasingly important that road transport is seen as a professional and well-managed industry. My business plays its part with modern trucks like the XF105; by employing skilled drivers who are committed to the job; and by using the best new technologies that allow us to optimise the use of all our assets – human and material – to the benefit of the customers and the economies we serve.”

## Ron Borsboom, Director Product Development, on future em

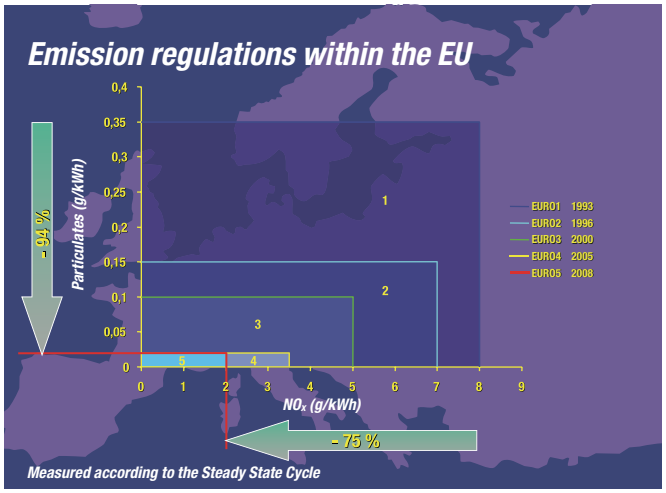
# “Diesel Engines Will Be Even Cleaner”

***In the past fifty years – since the company opened its own engine factory at the end of 1957 – DAF has built up an excellent reputation in the field of engine development. In addition to reliability, durability, excellent performance and favourable fuel consumption, the increasingly stringent emission standards have become an important development criterion, especially in recent decades. “We have reached such low emission levels with the Euro 5 that the steps still open to us are becoming ever smaller, while requiring increasingly large investments. However, there is still scope for development with the diesel engine, and it will become even cleaner”, says Ron Borsboom, member of the Board of Management of DAF Trucks with responsibility for Product Development.***

DAF has gained a prominent position within the truck industry when it comes to engine development. In 1958, DAF was one of the first commercial vehicle manufacturers to use turbo technology to gain more efficiency from the same engine capacity. In 1973, DAF strode ten years ahead of its competitors with the introduction of intercooling, a development that initially met the demand for higher engine output and lower fuel consumption. Later, air cooling also proved to be indispensable in achieving cleaner exhaust gases. Since that time, DAF has always led the field in early compliance with new emission requirements. DAF was the first to offer '9-NOx' engines and was a forerunner when it came to Euro 1, Euro 2 and Euro 3, and more recently Euro 4. All types in its product range are now available with Euro 5 emission values, which do not become a legal requirement until 2009.

***Great progress made***

"It's important to keep stressing the progress that has been made in engine development in recent decades, as it is easy to forget”, says Borsboom. “In 1970, the noise produced by just one truck was equivalent to that produced by 12 modern trucks. In addition, performance has improved considerably, with today's trucks boasting lower emission values and significantly more favourable fuel consumption. It was only a few decades ago that a regular 40-tonne combination used more than 50 litres of fuel per 100 kilometres. One litre for every two kilometres! This has since been reduced by 35-40%. This also means a 35-40% reduction in emissions of $CO_2$, which are in part responsible for the greenhouse effect. The engines we are offering that already comply with the Euro 5 emission values to come into force in 2009 produce 75% fewer nitrogen oxides and 94% fewer




soot particles than the Euro 1 engines of fifteen or so years ago."

### *State-of-the-art PACCAR engines*

In the past couple of years, DAF has fully updated its range of models and the company has introduced completely new engines in the LF, CF and XF105. "Each and every one of these new additions is a state-of-the-art engine that numbers among the best in the industry in terms of performance, fuel consumption, environment, durability and reliability", Borsboom assures us. "Our 12.9-litre PACCAR MX engine, for example, has a design life of 1.6 million kilometres, with service intervals of up to 150,000 kilometres, and offers impressively high torques for maximum flexibility. In short, the PACCAR MX engine sets new standards across the board. All our engines are fitted with SCR Technology, simply because this is still the most economic technology for complying with Euro 4 and Euro 5, in terms of both fuel consumption and maintenance.

## ...ission requirements:


Furthermore, all PACCAR engines feature intelligent electronic high-pressure fuel injection systems that enable us to meet the Euro 4 and Euro 5 emission standards without soot filters."

### *No future for gas engines*

DAF now also supplies the new 9.2-litre and 12.9-litre PACCAR PR and MX engines with a soot filter for use in buses for public transport. "This reduces the emission of soot particles by a further 50%, allowing us to achieve emission values that are actually below the EEV gas standard. Until recently, it was assumed that such levels could not be achieved with diesel engines. Now that the opposite has been proven, all arguments in favour of the use of gas engines in trucks and buses have become void as far as we are concerned. Diesel engines are comparable to gas engines in terms of emissions and have the best credentials by far in terms of reliability, infrastructure, performance and operating costs", says Borsboom, who adds that he considers it an out-and-out error that local authorities in particular are now threatening to endorse CNG as the ideal solution for public transport. "It goes without saying that governments should be allowed to set requirements with regard to emissions, but the technology for achieving the lowest possible emission values is a matter for the industry. What's more, our customers should also be free to choose the technology they prefer. The fact that some establishments, local authorities in particular, deal with the matter differently is a negative development. This does not do justice to the fantastic technological development that the diesel engine has undergone and will continue to undergo thanks to tremendous investment and development efforts by the industry."

***Ron Borsboom stands next to a test set-up in DAF's new ultra-modern engine testing facility, which can be considered one of the leading facilities of its kind in Europe.***

### *EEV for trucks*

Next year, DAF will also be offering extra-clean EEV diesel engines, i.e. with soot filter, for trucks as well. The component in question is a passive open filter, identical to the retrofit filter option that DAF offers for Euro 3 CF and XF95 models. "We currently have closed systems under development that offer active regeneration with 90% efficiency. We will certainly be offering these in the future as well, but more development time is needed before systems of this kind can offer the durability and reliability that our customers rightly expect from DAF", continues Borsboom. "Moreover, the open filters are constructed in such a way that they cannot become congested and will never lead to standstill. Additionally, they reduce the emission of particulate matter by at least 50%, even in applications in which the exhaust gas temperature only rises above 300 degrees Celsius sporadically, such as with refuse collection vehicles. We have conducted extremely extensive research into this area, just like TNO Automotive. It has been demonstrated in practice that a refuse collection vehicle driving just once to the waste processing company is sufficient to regenerate the collected soot particles and guarantee a 50% reduction in particulate matter. The open filter



***When DAF introduced its first truck chassis in 1949, it was fitted with American Hercules petrol engines, and from 1950 the customer was also able to choose from different Hercules and Perkins diesel engines. With the rapid increase in road traffic, a market need developed for engines with a higher output. At the end of 1955, DAF reached an agreement with Leyland, whereby the British manufacturer would, for the time being, act as engine supplier, while DAF was given the right to build its own engine by licence when the planned new engine factory was ready. The engine factory was opened in November 1957 on the site where the state-of-the-art PACCAR PR and MX engines are now being built for the DAF CF75, CF85 and XF105, and for use in buses and coaches. DAF's completely updated engine factory currently produces around 220 engines a day and is one of the most modern of its kind in the world. DAF's engine factory leads the way in terms of quality, efficiency, the environment and working conditions.***

therefore reduces the emission of particulate matter by at least half in typical urban applications. As DAF Euro 3 engines were already very clean as far as emissions are concerned, the emission of particulate matter when a retrofit soot filter is used is no less than 70% below the Euro 3 standard!" Ahead of the introduction of the EEV versions of the CF and XF105, DAF is already offering an EEV version of the LF, a typical urban distribution vehicle. The optimum combustion properties of the vehicle mean that the 160-hp engine achieves the EEV values even without a soot filter.

### *Euro 6*

The engine builders at DAF are currently working hard on solutions for Euro 6. "The introduction of this even more stringent standard is certain; however, there are still a number of uncertainties regarding timing, the test cycles and the limiting values", continues Borsboom. "It is generally assumed that Euro 6 will permit the emission of just 0.5 to 1.0 gram of $NO_x$ per kW/h and particulate matter emissions of particles of only 0.01 gram per KW/h. That is 50% lower again than the stringent Euro 5 standard. There is not yet any definitive information about what the standard will ultimately stipulate, but it certainly seems at this point as though we will need all the technologies available to us in order to comply with it, e.g. SCR, EGR and soot filters. And not only this; we will also need the associated complex electronic controls, as all these technologies do need to be seamlessly coordinated. All in all, Euro 6 will have consequences in many areas. Additional technologies not only generate huge development-related efforts and costs, but also necessitate space on the chassis and bring additional weight. And the environment most definitely has its price. In view of the high development costs and the costs of the necessary systems, the purchase prices of the trucks will not become lower, and nor will the operating costs. The customer will have to incorporate these costs into his rates, which means that road transport will generally become more expensive. The key question is how far we want to go to reduce the emissions of $NO_x$ and particulate matter further – considering that we are approaching the point where further reduction will occur at the expense of fuel consumption and, as a result, the emission of $CO_2$, which is responsible for the greenhouse effect. As far as this is concerned, I am glad the industry has been given an opportunity by the European Commission to give its view on the matter. We may well have arrived at the point where we could make better progress with other measures. For example, by looking at more efficient deployment of vehicles. The environment would greatly benefit, for example, from the Europe-wide introduction of Eco-combis, whereby a single diesel engine can transport around 30% more load. Or from incentive measures to quickly replace old pre-Euro 1, Euro 1 and Euro 2 vehicles. That really could be called progress!"

### *Alternatives?*

The question arises, of course, of what DAF's view is on alternative fuels and technologies. Ron Borsboom tells us: "It goes without staying that we are looking thoroughly into the broad range of alternatives and that the most viable technologies are currently under development. A good example is hybrid technology with combined diesel/electric drive system, which is particularly suitable for urban applications. The energy that is released during braking is stored in special batteries to be re-used during driving. This significantly reduces fuel consumption and emissions. At the end of this year, we will be deploying the first vehicles for field tests with customers. This field test is an important phase in the development process. I expect hybrid trucks to be included in our standard product range within a few years, although still with a diesel engine as this will remain the drive system for trucks and buses for the next fifteen to twenty years."


## Peterbilt 379: Farewell to an Icon

**Kevin and Laurie Hagenow from the transport company TWX Corporation have received the keys to their special 'Legacy Class Edition' Peterbilt 379. It was not just any 379, but the last one to be produced. During the course of its twenty-year run, the Peterbilt 379 became a true icon. Of the 230,000 379s that have been built, almost 90% can still be found on the roads today.**

"We are extremely proud to have been chosen to receive this historical truck", says Kevin Hagenow. "Just like all the other Peterbilts in our fleet, this truck symbolises the quality we want to exhibit as a company, to both our drivers and our customers."

***Successor***

The successor to the legendary 379 has since been introduced. In terms of design, the Peterbilt 389 elaborates on the classic lines of its predecessor. Technically speaking, it can count itself as one of the most modern trucks on the American market. An example is the advanced reflector technology of the lighting, which increases the light output by no less than 226%. What also sets the new Peterbilt 389 apart in particular is its low fuel consumption and favourable running costs.

***PACCAR's new engine factory in Mississippi, USA, must be fully operational from 1 January 2010.***

## PACCAR Invests Record Amount in Research and Development

**In the short term, PACCAR is investing more than USD 1 billion in research and development and other major investment programs. In addition to the construction of a new engine factory in Mississippi, USA, major investments are planned in every truck factory with a view to improving production efficiency by 20%.**

Considerable investments are also being made in the development of new products from DAF, Kenworth and Peterbilt and in new software for PACCAR Financial's customer support. Furthermore, investments are being made for the further expansion of PACCAR's activities in Asia.

***1,500,000 vehicles***

In the past five years, the number of PACCAR vehicles worldwide has increased by more than 25% to a total of one and a half million – a solid basis for a future growth in turnover. As a result of this, PACCAR Parts is boosting its investment in new parts distribution centres. The parts distribution centre recently opened in Oklahoma City, USA, and the centre currently under construction in Budapest, Hungary, (supplemented by new logistics systems for dealers and customers) will lead to a 15% increase in turnover.

## Delivery of First Kenworth Hybrid

**At the beginning of August, the first Kenworth distribution truck featuring a diesel-electric hybrid drive system was delivered to Dunn Lumber, a building materials company based in Seattle, USA.**

Dunn Lumber specialises in innovative building items made from recycled materials. "We are striving to achieve a leading position in the environmental sphere", says Rob Dunn, Director of the company. "Commissioning the Kenworth hybrid distribution truck represents a major step towards a further reduction in emissions and fuel consumption."

***30% saving***

Kenworth is already supplying a limited number of its hybrid distribution vehicles to municipal authorities and companies. In 2008, the first trucks will go into series production. In addition to a 240-hp diesel engine, the hybrid truck is fitted with an electric motor that can also function as a generator, a 340-volt battery pack and a power management system that determines when and to what extent the electric motor is used.

"We are exceptionally pleased with the performance of our new Kenworth hybrid", says Mark Geyer, Fleet Manager at Dunn Lumber. "It is still a bit too early to state exact figures, but fuel consumption in the first few weeks was around 35% lower than that of our normal diesel-driven Kenworth T300s."

# Valencia Port: The Rise

***In recent years, Valencia port, situated in the centre of the western arch of the Mediterranean Sea, has developed into Spain's top commercial port and one of the most important international ports in the world. This port is one of the ten largest in Europe and, in the area of container transport, one of the 50 most important ports in the world.***

In 2006, 2.7 million TEUs*) were processed in the Valencian port area, which is at least eight percent more than in the previous year. The first six months of 2007 alone, during which almost one and a half million TEUs were processed, saw growth of around 15% compared with 2006.

### *140 regular shipping lines*

Various factors have contributed to this spectacular growth. Valencia's strategic situation on the Mediterranean coastline – within the east-west shipping corridor crossing the Suez Canal and the Strait of Gibraltar – makes it the first and last port of call for the main regular line shipping companies sailing between America, the Mediterranean Sea and the Far East. Valencia port is the port of call for more than 140 regular shipping lines and connections are maintained with more than 850 ports throughout the world.

### *Ambitious policy*

The growth in goods traffic was stimulated and supported by an ambitious policy of expansion and investment in new infra-structures that is continues unabated to this day. Valencia port currently has more than 12 kilometres of quayside for ships with depths up to 17 metres. Growing market demand and the increasing influence that this port exerts at international level are the driving force behind the Valencian port authorities' continued expansion, as well as the targeted introduction of new shipping lines and attraction of major shipping companies. In 2006, the new

*) TEU = twenty-foot equivalent units, a standard for containers with a capacity of 38.5 cubic metres.

By: Pilar Pérez

# e of a Giant

***Valencia port has more than 12 kilometres of quayside for ships with depths up to 17 metres.***

container terminal MSC Terminal Valencia started operation – stimulated by shipping company MSC, Valencia port's most important customer – with the aim of processing the increased goods flow and optimising the operation of the port's ships. At the moment, the finishing touches are also being put to the layout of the new port area 'Dique del Este', which covers an area of 330,000 square metres and is intended for the transfer of cars.

***In 2006, 2.7 million TEUs were processed in the Valencian port area, which is at least eight percent more than in the previous year.***

### *Expansion*

In view of the rate of growth, the expectation is that a milestone of seven million TEUs will have been reached by 2035, although the port will be too small by 2012. This is why the Valencian port authority is now facing one of the greatest challenges in its history: a new expansion plan set to add an extra 156 hectares and 2100 metres of docks and berthing quays to the existing area. The Spanish Ministry of the Environment recently approved the environmental effect report (MER) for this expansion project, which is scheduled for completion around the end of 2011 or the beginning of 2012. This expansion forms part of a collaboration between Valencia port, which specialises in container transport, and Sagunto port, which also comes under the Valencian port authority and which could process the remaining goods transport.

***Valencia port is one of the ten largest in Europe and, in the area of container transport, one of the 50 most important ports in the world.***

## *Breviter transport company*

# *"Quality and flexibility ar*


***The Polish transport company Breviter has built up an excellent reputation among its European customers, particularly because of the high level of service it provides. The company was set up in 1988 at a time when Poland was making its first tentative steps towards greater economic freedom. During that period, Ryszard Wojtas, the founder, and his son Michal, Breviter's present director, built up a large network of Polish and Western European customers. "The quality of our vehicles plays an important part in our success".***

Breviter's fleet consists of 186 tractors and 220 semi-trailers. Breviter bought its first DAFs five years ago and it now has fifty XF95s and twenty XF105s. This will be supplemented by another fifteen vehicles during the course of 2008. On average, a truck remains in the fleet for about four years during which time it clocks up around 500,000 to 600,000 kilometres. "Good service and tight delivery times can only be guaranteed with a modern fleet of reliable vehicles", says Michal Wojtas. "We consider these important competitive advantages that are essential for our customers who are suppliers and manufacturers of car parts and electronics manufacturers".

### *80%*

The first customer group mentioned is responsible for 80% of the goods transported by Breviter and electronic products are responsible for 10%. "Our service is based on the reliability of our DAFs", says Wojtas. "Our drivers love the space and comfort. It makes work more pleasant for them and this results in greater efficiency – just like the low fuel consumption, low costs per kilometre and the high residual value of our DAFs".

### *Partnerships with Western European customers*

Breviter has been active in international transport since 1989. When concerns like Philips and LG opened sites in Poland, the transport of electronic components became the most important activity for Breviter. However, the large-scale switch from large traditional televisions to the flat LCD screens led to considerable overcapacity for transport companies in 2004 and resulted in margins coming under pressure. Breviter adapted itself to the changing market conditions: Poland quickly expanded into one of Europe's most important production locations for car parts and, logically, Breviter decided to focus more on this segment of the transport market. Nowadays, an increasing number of Breviter's routes go from East to West and national transport within Poland is becoming less important for the transport company. "The competitive advantage we have over our Western European colleagues is the combination of a modern fleet, professional service and rates that are still

# e essential”

***“The competitive advantage we have over our Western European colleagues is the combination of a modern fleet, professional service and rates that are still competitive”, explains Michal Wojtas.***


***Breviter bought its first DAFs five years ago and it now has fifty XF95s and twenty XF105s. This will be supplemented by another fifteen vehicles during the course of 2008.***

competitive”, explains Michal Wojtas. “This makes for successful relationships with our Western European partners.”

### *Patriotism*

“The only 'obstacle' we sometimes face is a certain amount of patriotism that some Western European companies have”, says Wojtas. “These companies prefer to do business with transport companies from their own country. They do not realise, however, that many of these companies' drivers are Polish, even if the companies are Belgian or German, for instance. Polish drivers are highly valued in Western Europe because of their professionalism, and this makes it easy for them to find jobs”.

### *Comfortable working conditions*

In recent years, Breviter – just like other Polish transport companies – was faced with a shortage of drivers, who preferred to work for foreign companies. “2004 and 2005 were the worst years”, Wojtas recollects. “The situation has now improved and many drivers have returned to Poland; they missed their families, were able to obtain favourable credit and could finally earn a reasonable wage”. Michal Wojtas knows each of his 287 employees personally and takes pride in chatting to each of them on a regular basis. Each driver has their 'own' truck, which only they drive. “I can understand that drivers want to personalise their truck and equip it as they see fit”, says Wojtas. “Drivers are entitled to a comfortable work space and the XF105 is the perfect truck for them. The drivers love it. And every fleet manager is happy with the low fuel consumption. In addition, the XF105 looks amazing, which boosts our image”.

### *Central and Eastern European markets*

“Poland lies in a very competitive area”, says Wojtas. “The transport market continues to develop and change still further. Many things became easier once Poland joined the European Union. Large Western European transport companies use Polish transport operators as subcontractors. I do not consider this a threat as it makes the market more dynamic and provides work for the drivers. The Central and Eastern European markets differ from the 'old' EU in the way in which they choose their business partner. Many Polish transport operators only focus on the price, while Western European customers attach much more importance to the quality of the service and the flexibility offered by their partner”, says Wojtas.

“These are exactly where our strengths lie and our European customers greatly appreciate this approach”.

### *Future prospects*

Good, flexible service, precise agreements on delivery and pick-up times, and cost savings for the customer. These factors contribute to Breviter's competitive power and paint future prospects that are favourable. “In order to meet all these requirements, you need vehicles that will not let you down. This is why we chose DAFs. They are 100% reliable. Thanks to these trucks, our company name (Ed: ‘Breviter’ is Latin for ‘in a short time’) is our most important mission statement at the same time”.

## *DAF's sales and service network:*

# *Perfect distribution for optim*

***DAF is the fastest growing truck manufacturer in Europe. The key to this success is not only its modern product range, but its extensive and professional dealer network in particular. These are independent dealer companies, who, this year alone, are investing around ?100 million in further improvements in quality, efficiency and image.***

DAF is represented at almost 1000 locations in Europe and their even distribution means there is always a DAF dealer company nearby. It is certainly just as important for transport operators and drivers to know that all DAF dealer companies work to the same standards. This means a high, uniform quality everywhere.

***Independent entrepreneurs***

DAF works almost exclusively with independent dealers, who consider entrepreneurship a key value and who share the same drive as DAF. DAF continues to invest in state-of-the-art technologies and processes in order to provide dealers with maximum support so that they can offer customers the best possible service. Ingenious computer systems were developed by DAF that can be used to specify the optimum vehicle for each application. Thanks to the Direct Ordering system, the dealer can submit the order to DAF directly and can also see the exact delivery time of the truck. This is an example of quality and efficiency. DAF also developed an Electronic Dealership – a showcase that demonstrates how modern information means can optimally support company processes for dealers and customers. In addition to this, DAF developed an ingenious Managed Dealer Inventory system, meaning that the dealer can always have the right parts in stock almost automatically. This is just another example of quality and efficiency. With DAF Connect, DAF and the DAF dealers are introducing a new, complete management system for optimising fleet maintenance and the efficiency of the workshop at self-repair companies.

***Confidence in the future***

This year, DAF's European contract partners are investing around €100 million in the network; proof of the confidence they have in a healthy future together with DAF. The fact that more and more dealers of other makes are expressing their desire to join the DAF dealer network shows that there is considerable confidence in DAF even outside the organisation. And rightly so, as DAF is not the fastest growing truck make in Europe for nothing.

***DAF is represented in Europe at around 1000 locations. Thanks to a close network, there is always a dealer nearby for optimum service.***

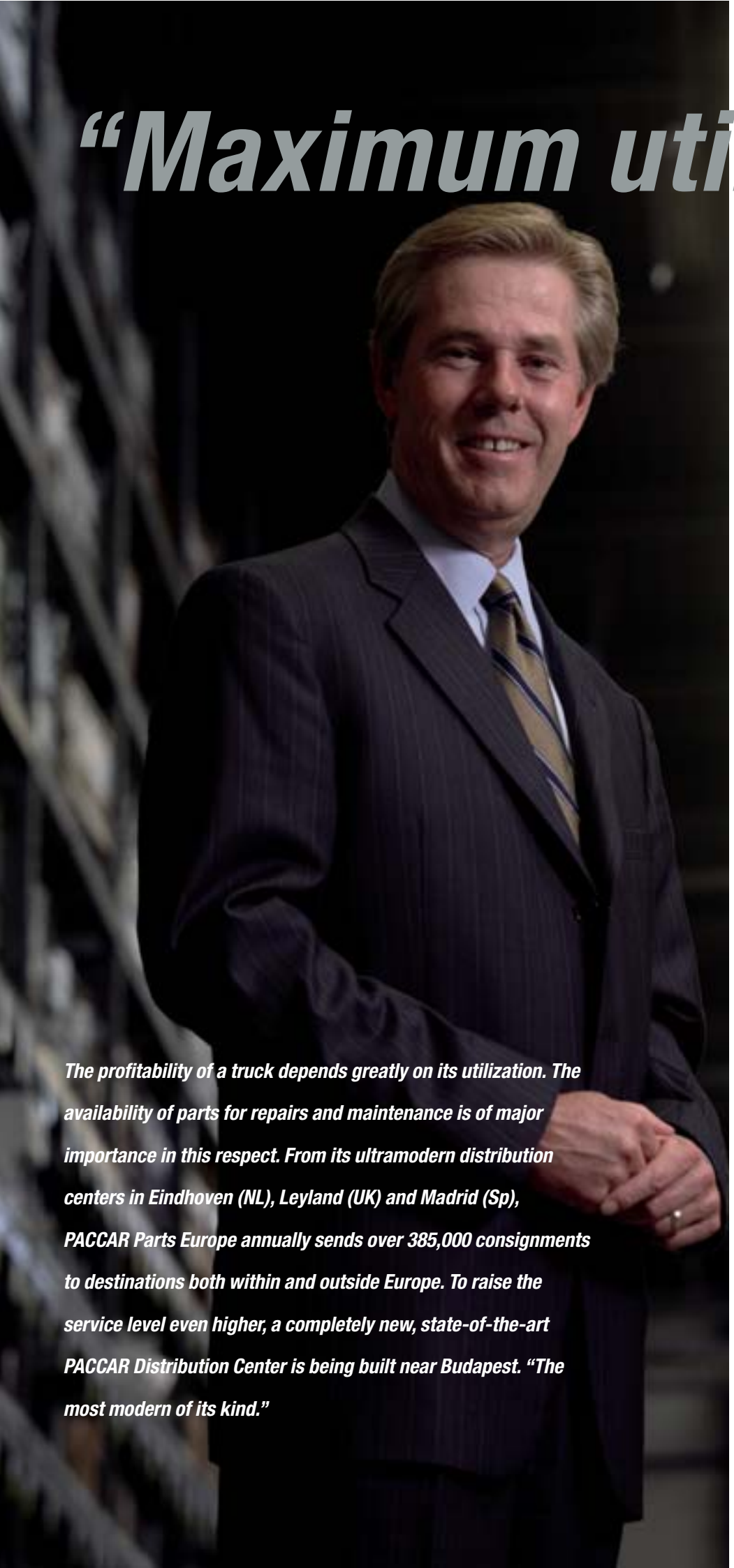
# um service





## Almost a thousand

*DAF has DAF Trucks Sales Dealers and DAF Service Dealers. The 'full service' dealers have both contracts and offer the transport operator everything for his fleet under one roof: sales of new and used trucks, MultiSupport repair and maintenance contracts and, depending on the country, financing and leasing via PACCAR Financial. Naturally, the 'full service' dealers also take care of everything related to after sales: maintenance, repair and sales of parts such as DAF Parts and TRP/All makes. In addition to universal parts for trailers and other makes of trucks, this also includes workshop supplies. The DAF Service Dealers focus on the full package of after-sales services and parts.*



## *Tom Clevinger, General*

# *“Maximum utilization*

***The profitability of a truck depends greatly on its utilization. The availability of parts for repairs and maintenance is of major importance in this respect. From its ultramodern distribution centers in Eindhoven (NL), Leyland (UK) and Madrid (Sp), PACCAR Parts Europe annually sends over 385,000 consignments to destinations both within and outside Europe. To raise the service level even higher, a completely new, state-of-the-art PACCAR Distribution Center is being built near Budapest. “The most modern of its kind.”***

“Parts distribution is one of PACCAR’s and therefore DAF’s core competencies,” says Tom Clevinger, General Manager of PACCAR Parts Europe. “And that is logical: the customer wants maximum utilization of his trucks. Maintenance must be planned as efficiently as possible and sudden breakdowns repaired as soon as possible. Optimal availability of parts in combination with short delivery times plays an essential role here.”

***98%***

“In the area of parts availability, PACCAR Parts plays a leading role in the truck industry,” continues Clevinger. “We achieve an order fill rate of 98% from our distribution centers, which is clearly world class performance in the distribution business. Equally as important is that the dealer has the right parts in stock. Our advanced inventory planning processes and intelligent IT systems ensure this for the customer. Our goal is to be among the very best in the world in terms of supply chain performance for both our dealers and our customers. ‘World class’ is a much higher level of attainment than simply being an ‘industry leading supplier’. We benchmark our performance against the very best distribution companies in the world. Not simply those that distribute truck parts.”

***Within 36 to 48 hours***

One example of the intelligent systems Clevinger mentiones is MDI, which stands for ‘Managed Dealer Inventory’. Clevinger: “Upwards of 380 DAF dealers now make

***Tom Clevinger: “We are aiming to be amongst the best in the world in the area of supply chain management.”***

## Manager PACCAR Parts Europe:

# crucial”


***The largest PACCAR Distribution Centre in Europe is situated on the DAF site in Eindhoven and covers an area of 42,500 m².***

***The brand-new distribution centre near to Budapest in Hungary will cover an area of 23,200 m². It will be the most modern distribution centre that PACCAR has ever built.***

use of it. Via this revolutionary system, the dealer automatically receives a daily order suggestion from PACCAR Parts for his regular stock orders.. With a simple push of a button the dealer can convert this suggestion into an order, which is delivered to the dealer within 24 to 48 hours, anywhere in Europe. The addition of our newest distribution center in Budapest will provide stock order delivery to many more dealers within 24 hours, which is our ultimate goal for all of Europe. This is a mighty challenge because we are talking about over 200,000 part numbers. The fact is that thanks to MDI the dealer almost always has the right parts in stock. In over 92% of the cases to be precise. None of our competitors have achieved this. And for rush orders, we naturally deliver the same or the following day throughout Europe.”

### *Connect*

Speed is not only important for delivery of parts to dealers, but also to truck owners that carry out their own repairs. Clevinger: “The number of deliveries of original DAF and universal TRP parts (see below, ed.) made by us and dealers to self-repairing fleet owners is increasing. By as much as 50% in terms of sales in the previous year. Thanks to the extensive DAF dealer network, a customer can in some cases even have his parts delivered within a couple of hours.”

PACCAR is the first truck manufacturer in Europe to introduced a complete ‘web based’ management system to optimize fleet maintenance and the efficiency of the workshops of self-repairing companies: Connect. “With this system, truck maintenance and repair information is always available quickly and in an easy-to-read format”, says Clevinger. “It indicates when maintenance and safety inspections need to be carried out, checks per vehicle if the necessary parts are in stock and provides ordering advice. Moreover, Connect signals work that is outstanding for each vehicle. This helps the customer’s workshop operate more efficiently, reduces mistakes and optimizes the vehicle operation and performance.”

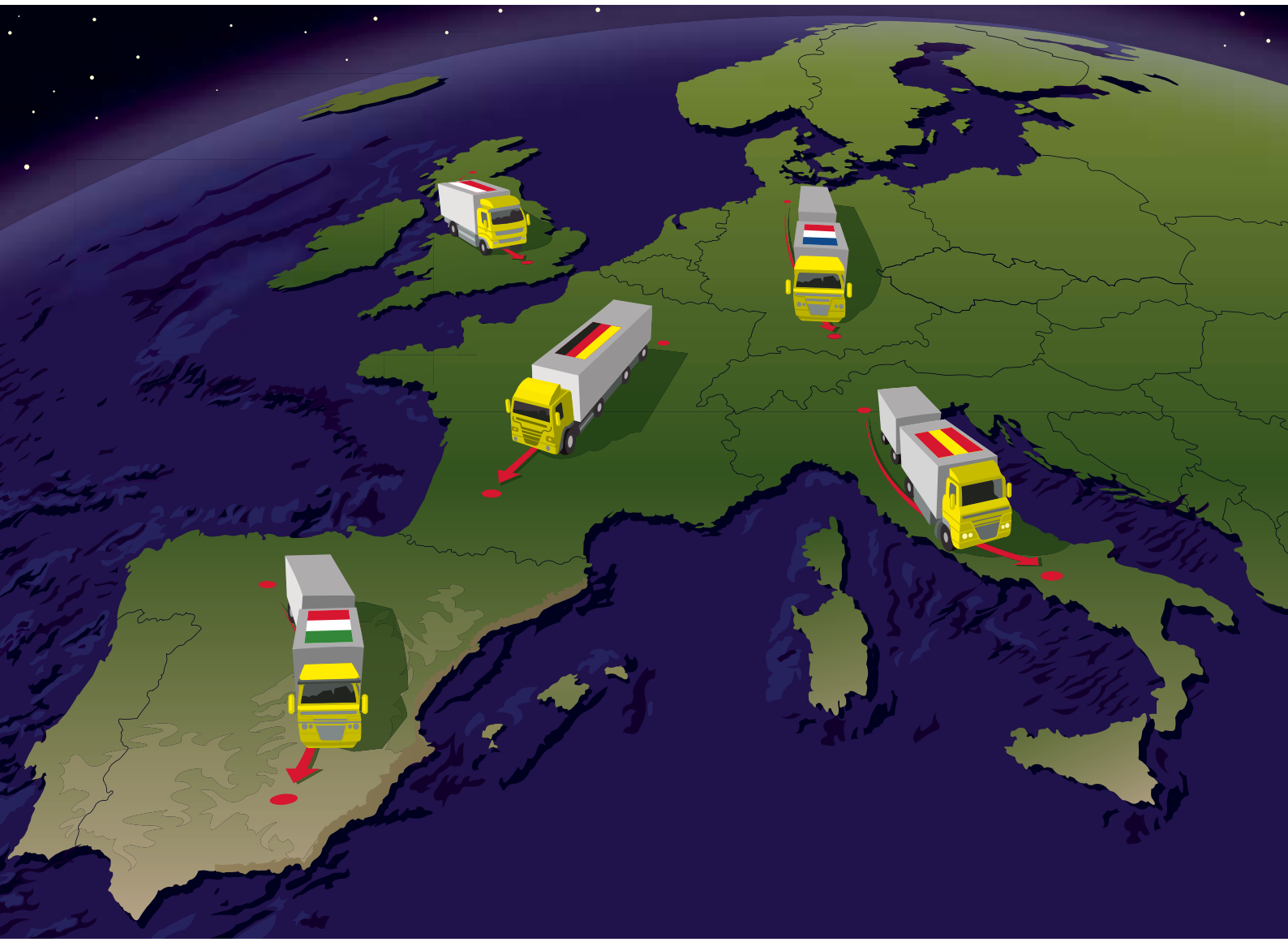
### *Distribution centers*

The supply of parts to dealers takes place from three ultramodern ‘PACCAR Distribution Centers’. Clevinger: “The largest is located on DAF’s site in Eindhoven and has a floor area of 42,500 m². We also have a facility at Leyland in England and in Madrid. A total of around 700 people using the most modern equipment handle over 385,000 consignments each year. The growth of DAF in Europe, namely in Central and Eastern Europe has automatically led to increased demand for parts in those areas. For this reason, in mid-September the ground was broken for a brand new distribution center near Budapest in Hungary. It will have an area of 23,200 m²“, says Clevinger. “This will be the most modern distribution center that PACCAR has ever built and is a further step in the raising of our service level to our customers.”

## *PACCAR among the 25 best*

***The independent and international market research bureau ‘AMR Research’ carries out annual worldwide research into the quality of companies in the area of ‘supply chain management’. This produces a list of the world’s top 25. In the 2007 list there are just two automotive companies and PACCAR is one of them. The bureau rated PACCAR for its very balanced supply chain. “And that balance separates the best from the rest”, according to AMR Research.***

# Cabotage: Test Case for



*The author is a policy advisor for international affairs at Transport en Logistiek Nederland, the Dutch Transport Operators' Association.*

***Almost 18 years after its introduction, cabotage continues to preoccupy the thoughts of those in Europe. Indeed, it increasingly seems that cabotage is turning out to be the ultimate test case for the internal market. After all, although cabotage was at one time intended to be the final phase in the liberalisation of road traffic, it is now seized upon by many member states to protect domestic markets from too much competition from abroad. Is this then a logical consequence of a lack of harmonisation within the EU, or is there more behind it? Whatever the reason, the fact remains that cabotage is slowly splitting the EU member states in two.***

# r Internal Market

Cabotage refers to the practice of a transport operator running domestic transport services between two or more points in a different member state to the one in which he is based. In 1989, the first measures were taken to achieve the free performance of services within domestic transport. It was only after years of tough negotiation that the definitive cabotage regulation came into being in 1993. Countries with a major focus on transportation in particular, such as France and Germany, feared that their domestic markets would be penetrated by transport operators from neighbouring countries. It was thanks to the establishment of a tight licensing regime and an eight-year transition phase before cabotage would become fully liberalised that all the EU member states at the time finally agreed to the regulation. It was also specified that cabotage would only be permitted temporarily, without further definition of this concept. Cabotage transport operations were fully liberalised in 1998 and contingent journey permits were discontinued.

### *Effects of cabotage*

After eight years of cabotage, the European Commission published a report on the associated findings (COM (2000) 105). The most important conclusions of this report are that cabotage transport increased six-fold in eight years, from 352 million tkm in 1990 to 2224 million tkm in 1997. This may seem a lot, but cabotage transport only accounted for 0.164% of the total domestic transport figure. Of the total cabotage transport volume, 68% took place in Germany, but even there German domestic transport was still a hundred times the volume of cabotage in the country. Interim random sample surveys also indicate that there has been no explosion in cabotage transport following the abolition of the quantitative restrictions in 1998. It can be said that cabotage, despite its increase, has hardly had any significance with regard to national transport operations.

### *Interpreting the concept 'temporary'*

Cabotage came under the spotlight once again in 2002. France is the first member state to interpret the concept 'temporary': a maximum of one week is permitted before the vehicle must leave the country. The immediate cause for this was the beet-lifting season in Northern France. Spanish and Portuguese transport operators competed with their French colleagues in the same market. This led to considerable unrest in the French transport sector and the French therefore successfully demanded a restriction on cabotage. Great Britain was quick to follow and stated that, with effect from 1 December 2002, cabotage must not exceed 30 days. After that, the vehicle must leave the country. This measure came about following pressure from the British transport sector. The sector maintains that it must contend with higher taxes and excise duties compared with their colleagues on the continent, and this is why foreign transport companies were able to operate in the UK under far more favourable conditions. Alongside Great Britain and France, other countries that have had similar measures in place for a while now include Austria, Greece and Italy. In short, a patchwork of national cabotage regulations was gradually developing in the EU.

***In 1989, the first measures were taken to achieve the free performance of services within domestic transport.***

### *Interpretative communication*

Most of the EU member states consider this an undesirable situation. They therefore press the European Commission to provide clarification on the term 'temporary'. An 'interpretative communication' is published in December 2004. On the basis of an economic and legal analysis of cabotage transport, based on three rulings by the Court of Justice, the Commission provides clarity according to its view. The Commission formulates four criteria for interpreting the term 'temporary': duration, frequency, periodicity and continuity. Duration refers to the number of days, frequency relates to the number of transportations, periodicity refers to the regularity and continuity indicates the period in which a transport operator exclusively carries out cabotage transport activities. On the basis of these four criteria, the Commission considers a temporary national restriction of one to two months acceptable. If the transport activities take on a permanent, continuous and regular character on a systematic basis, this no longer constitutes cabotage but domestic transport.

### *No legal basis*

Unfortunately there is still no real clarity. This communication from the Commission does not have a formal legal basis. In fact, it is no more than a pressing recommendation with no legal framework. Meanwhile, France tightens its conditions even more on the basis of this communication and restricts cabotage to a maximum of 45 days a year with a maximum of 30 consecutive days. If cabotage is undertaken for more than seven consecutive days, the transport automatically falls under the Posting of Workers Directive. This means that French conditions of employment are then applicable.

### *Research by the European Commission*

In 2005, the European Commission requests that research be undertaken into cabotage. The Commission wishes to gain greater insight into the cabotage market as a whole. The findings show that even though cabotage increased by 86% between 1999 and 2004, its share of 0.76% of total transportation is still a small proportion. This research also reveals that


***Almost 18 years after its introduction, cabotage continues to preoccupy the thoughts of those in Europe. Indeed, it increasingly seems that cabotage is turning out to be the ultimate test case for the internal market.***

government authorities and the transport sector are keen to see an unambiguous interpretation of the concept 'temporary'. The current patchwork of individual regulations is undesirable and, for the transport sector, unworkable.

***Access to the market***

Within the framework of striving to achieve better and more simplified regulations, the Commission formulated proposals for revision on 23 May 2007 that also have a bearing on access to the international transport market, among other things. These proposals are based on the results of a consultation procedure held in 2006 by the most important stakeholders from the EU member states. Cabotage also falls under this new regulation in the proposal.

In order to put an end to the current patchwork of regulations, the concept 'temporary' is also defined in the Commission's proposal. Following immediately on from an international transport operation, a maximum of three cabotage transportations may be undertaken within a period of seven days. The Cargo Movement Request (CMR) must be used to check this. Under the current Portuguese chairmanship of the EU, there are plans to speed up proceedings relating to the difficult cabotage dossier. However, member states are divided over the proposal. During the initial deliberations in July, it appeared that France, Austria and Italy were in favour of an even more stringent restriction. Germany, the UK, Scandinavia, Bulgaria and Estonia were comfortable with the proposal. The member states in Central Europe and the Baltic States, Belgium and the Netherlands considered the proposal too limited.

***Test case for the internal market***

Even though cabotage still accounts for a very minor proportion of total transportation in the EU, it seems to be becoming the ultimate test case for the operation of the internal transport market 18 years after its introduction. Is the EU set to allow cabotage without restrictions at any time, or is this step still a bridge too far? Essentially, market protective measures do not seem to fit in an internal market. Indeed, they hamper economic growth. In addition, there will be greater environmental pressure as a result of more empty kilometres and an increase in distance covered, which is at odds with the policy on climate. Furthermore, there will always be differences between countries in an internal EU market; with regard to tax issues as well as social and economic aspects. Opening up markets tends to result in countries becoming more aligned with one another. If the differences are allowed to predominate, the internal market idea is more likely to collapse than thrive. The transport operators may well then have to apply for bilateral journey permits again in ten years and have them stamped at the border.

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