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Istanbul, 03 November 2006

TENTH MEETING OF THE BSEC-URTA GENERAL ASSEMBLY

Marmara Antalya Hotel, Antalya –TURKEY Friday, 24 November 2006, at 09:00 hrs

ACTIVITY REPORT

(Information Paper Prepared by the BSEC-URTA International Secretariat)

Since the Ninth Meeting of the BSEC-URTA General Assembly held in Istanbul, Turkey, on 11 May 2006, the International Secretariat participated in events of importance for the industry, contributed to international gatherings and worked for promotion of the BSEC-URTA and its objectives.

A summary of these activities developed under the strategic objectives and 2006 working program of the BSEC-URTA is given below by priorities set out by the BSEC-URTA General Assembly.

FACILITATION:

- 1. BSEC VISA FOR PROFESSIONAL DRIVERS (BVPD)
 - (a) <u>Take part in the meetings and follow-up results of the related BSEC competent organs and</u> <u>related bodies.</u>

The Fourteenth Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States, on 26 April 2006, in Bucharest recognizing the importance for BSEC region of the Agreement on Simplification of Visa Procedures for Professional Drivers Nationals of BSEC Member States asked the Member States to inform the BSEC PERMIS about their readiness to become Parties to the said Agreements.

The International Secretariat participated in the following BSEC events organized under the Russian Chairmanship of the BSEC Organization:

- The Seminar on Implementation of BSEC MoU on Facilitation of Road Transport of Goods in the BSEC region, Moscow on 20 July 2006,
- The Meeting of the BSEC Working Group on Transport, Sochi on 25, 26 September 2006
- The Meeting of the BSEC Ministers of Transport, Sochi on 27 September 2006.

BSEC-URTA Representatives, during their interventions at the abovementioned meetings, stressed the high importance of the Agreement for the road transport industry in the region and called upon the representatives of governments to work for its opening to signature as soon as possible.

As of the end of October 2006, only Bulgaria, Greece and Turkey communicated in written their positions. Turkey confirmed its readiness to sign the Agreement whilst Bulgaria and Greece informed that they cannot sign it due to their commitments to the EU.

The Committee of the Senior Officials of the BSEC Member States considered the situation at its meeting in Istanbul on 3-4 October 2006. Taking into account positions of three



Member States as mentioned, the Committee decided to convoke another meeting of the Ad Hoc Experts.

Albania, Armenia, Azerbaijan, Georgia, Moldova, Russia, Serbia, Turkey and Ukraine stated that they will participate in another meeting of the Ad Hoc Working Group on Simplification of Visa Procedures for Professional Drivers Nationals of the BSEC Member States with the aim to finalize the said Agreement at that level.

(b) <u>Work together with the IRU and coordinate Member Associations in order to have the relevant</u> <u>Draft BSEC Agreement be opened to signature of the Member States.</u>

The Ninth Meeting of the BSEC-URTA General Assembly urged the BSEC-URTA Member Associations to lobby actively vis-à-vis their national authorities with the request to inform the BSEC PERMIS about their readiness to sign the draft BSEC Agreement on simplification of visas for the professional lorry drivers in the BSEC Member States.

According to the above, the BSEC-URTA President sent a letter to the President of each BSEC-URTA Member Association on 25 May 2006, asking their personal interference and action vis-àvis their national authorities in order to make sure that their national authorities will confirm to the BSEC PERMIS about their readiness to sign the Draft BSEC Agreement.

The International Secretariat has closely followed up this issue through a series of contacts by phone and correspondence with the BSEC-URTA Member Associations. Furthermore, in accordance with the feedback of BSEC-URTA Member Associations, on 04 September 2006, the BSEC-URTA President also wrote an official letter to competent national authorities in each BSEC Member State.

In spite of these above mentioned efforts, unfortunately, only one BSEC country, namely Turkey, notified the BSEC PERMIS so far, about its readiness to sign the Draft Agreement.

2. INTERNATIONAL VEHICLE WEIGHT CERTIFICATE (IVWC)

(a) Follow up related work of the UNECE on this issue, closely.

At this stage, no objections have been submitted by any Contracting Party to the UN, on the Annex 8 to the 1982 International Convention on Harmonization of Frontier Controls of Goods as endorsed by the Administrative Committee on 6 October 2005. The new Annex 8 refers to the Facilitation of Border Crossing Procedures for the International Road Transport and, among other facilitation tools, stipulates the introduction of the International Vehicle Weight Certificate which will avoid the repetitive weighing procedures at the border crossings. It is expected to enter into force in March 2007 unless amendments will be submitted.

(b) <u>Analyze the administrative, technical and infrastructure related challenges, which the BSEC</u> <u>Member States might face to implement the newly adopted Annex 8 to the 1982 Convention on</u> <u>Harmonization of Frontier Controls of Goods.</u>

On 20 July 2006, the BSEC MoU on Facilitation of Road Transport of Goods has entered into force for 10 signatory BSEC Member States, which includes a special Article on creation of a vehicle weight certificate.

In this context and upon invitation of the BSEC PERMIS, the BSEC-URTA International Secretariat prepared a Draft Timetable of actions to be taken for implementation of the MoU, which was presented to the BSEC Working Group on Transport in Sochi on 25, 26 September 2006. The Draft Timetable, which will continue to be considered by the BSEC Working Group on Transport at its next meeting in Antalya, Turkey, on 23 and 24 November 2006, included among others, the implementation of the IVWC in the BSEC region until 1 January 2009 and proposed a



set of actions to be undertaken by the BSEC Member States as regards technical and infrastructure requirements.

On the occasion of the meeting of the BSEC Ad Hoc Group on Customs Related Matters held in Istanbul, Turkey, on 9-10 October 2006, the BSEC-URTA representatives proposed to the Ad Hoc Group to include in its own Action Plan the improvement of the border crossing procedures by a series of measures including the introduction of the international vehicle weight certificate. The Draft Action Plan will be finalized during the next meeting of the Ad Hoc Group to be held under the Serbian Chairmanship of the BSEC.

3. SIMPLIFICATION OF CUSTOMS FORMALITIES

(a) <u>Lobby for joining of all BSEC Member States to major UN conventions and international</u> agreements on transport facilitation, particularly the UNECE 1982 Convention on Harmonization of Frontier Controls of Goods.

During any international or regional meetings related to transport and customs matters, the BSEC-URTA representatives systematically emphasized the importance of acceding and implementing the UNECE Conventions and International Agreements.

Since the last meeting of the BSEC-URTA General Assembly, the following BSEC Member States joined the corresponding UNECE Conventions and International Agreements:

Albania:	 Convention on the Contract for the Carriage of Goods by Road (CMR) – 20 July 2006,
	 European Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport (AETR) – 20 July 2006
	 European Agreement on main international traffic arteries (AGR) – 2 August 2006.
Armenia:	 Convention on the Contract for the Carriage of Goods by Road (CMR) – 9 June 2006,
	 European Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport (AETR) – 9 June 2006,
	 European Agreement on main international traffic arteries (AGR) – 9 June 2006.
Azerbaijan:	 Convention on the Contract for the Carriage of Goods by Road (CMR) – 18 September 2006.

As regards the 1982 International Convention on Harmonization of Frontier Controls of Goods, it is worth to mention that all the BSEC countries are Contracting Parties to this Convention except the Republic of Moldova. According to the information provided by representatives of the Moldovan Customs Administration at the last meeting of the BSEC Ad Hoc Group on Customs Matters held in Istanbul, Turkey, on 9-10 October 2006, the Republic of Moldova is currently making the necessary legislative preparations at national level in order to accede to this Convention.

(b) <u>Lobby for organization of a BSEC meeting between customs administrations with participation of</u> <u>the transport industry and business community, which could also focus on expansion of "Green</u> <u>Lane" and "Single Window" practices in the BSEC region.</u>

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The Second Meeting of the BSEC Ad hoc Expert Group on Customs matters was held in Istanbul on 9-10 October 2006 with the participation of representatives from the BSEC Business Council and the BSEC-URTA.

During the meeting, the BSEC-URTA presented the BSEC-URTA Outlook Report and emphasized the increased usage of the TIR System in the region as a result of trade growth, which increases the demand for the road transport services. In this framework, the BSEC-URTA stressed the existing problems at internal and external BSEC border crossing points and proposed the following actions for possible solutions:

- To join the main UN transport conventions and international agreements related with customs matters;
- To improve the procedures by:
 - simplification and harmonisation of control procedures coordination in work hours and with adequate space allocations on both sides of the border;
 - o recognizing and implementing new facilitation instruments such as the IVWC;
 - o not enforcing escorts for transport operations under cover of a TIR carnet.
- To shift some of the controls currently performed at borders to inland departure and destination offices, in order to reduce the congestion and waiting times at the borders;
- To develop and implement new control methods, including the "green lane", "one-stop" or "single window" practices, as well as to conduct benchmarking and make use of more extensive risk analysis techniques, and modern technical facilities;
- To ensure adequate training of the border personnel.

The meeting decided to include these BSEC-URTA proposals in the Draft Plan of Action of the Ad Hoc Expert Group to be completed by the Member States until 10 November 2006 and to be finalized by the Group at its next meeting under the Serbian Chairmanship in the BSEC.

(c) <u>Work together with the IRU, BSEC Country Coordinator for Transport, BSEC PERMIS and</u> <u>BSEC Related Bodies in order to develop cooperation between the European Union and the</u> <u>BSEC Organization in this regard.</u>

Since the last General Assembly, two important developments took place in support of closer cooperation of the BSEC with the EU and the IRU:

- The Hellenic Republic was appointed as the Country Coordinator of the BSEC Ad Hoc Group on Customs Matters,
- An MoU was signed between the IRU and the BSEC Organization in Sochi, Russian Federation on 27 September 2006, on the occasion of the BSEC meeting of the Ministers of Transport.
- (d) <u>Work for facilitation of radioactivity controls at the Serbian borders (new)</u>

This subject was considered thoroughly by the BSEC-URTA General Assembly after the BSEC-URTA mission carried out to Serbia in 2005. During this mission, the BSEC-URTA representatives held meetings with the Customs Administration of the Republic of Serbia and the Directorate for the Environmental Protection in Belgrade on 7 October 2005.

Since last BSEC-URTA General Assembly meeting, the situation at the Serbian borders is monitored in cooperation with the BSEC-URTA Observer Association of International Road Hauliers of Serbia «Medjunarodni Transport». According to the last information provided by the «Medjunarodni Transport», starting from 17 July 2006 a new procedure for measurement of the radioactivity level of goods at border crossing points has been



established, whereby the control procedures are entrusted to the Ministry of Finance-Customs Administration. The Serbian Customs Administration conducts such controls 24 hours at every border crossing point open to movement of goods in Serbia.

As a result, the waiting times at the Serbian borders are observed to drop by 30 % in comparison with the same period last year.

4. HARMONIZATION OF CHARGES

(a) <u>In order to keep this matter on the agenda and lobby for harmonization of charges in the BSEC region, take part in the meetings and follow-up results of the related BSEC competent organs and related bodies.</u>

In the BSEC Transport Action Plan, the Member States would like to cooperate for elimination of existing non-physical administrative barriers in the sphere of international transportation among the BSEC Member States. Such barriers include the road user charges and other taxes imposed to road transport, which are not harmonized along the region.

The BSEC-URTA Draft Timetable on Implementation of the BSEC MoU on Facilitation of Road Transport of Goods in the BSEC region proposed to the Meeting of the BSEC Working Group on Transport, contains under Article 5 "Charging Policies" the following:

- Objective 8: Rationalize and <u>gradually harmonize</u> the charging policies for the international road transport of goods in the BSEC region. Deadline 01.01.2012
- Objective 9: Establish an information system to provide information to foreign transport operators on tolls and charges related to the use of national roads network in the BSEC region. Deadline 01.01.2008

The BSEC-URTA Draft Timetable also includes action proposals to achieve these objectives. The next meeting of the BSEC Working Group on Transport in Antalya, Turkey, on 23-24 November 2006 will consider the BSEC-URTA Draft Timetable as basis for future BSEC activities in this context.

(b) Follow up related work of the ECMT and the EC on this issue.

The International Secretariat noted the ECMT Report on "Phasing Out Discriminatory Charges In International Haulage" (CEMT/CM(2005)5) as a useful document for the BSEC Working Group on Transport to achieve the abovementioned objectives within the framework of implementation of the BSEC MoU on Facilitation of Road Transport of Goods in the BSEC region.

The Report contains short and long term proposals for a simple structure of taxation, which was adopted by the ECMT Ministers, including those from the BSEC region, in Moscow on 24-25 May 2005. BSEC-URTA International Secretariat will present this report to the Steering Committee of the BSEC MoU, which will be set up by the BSEC Working Group on Transport at its next meeting in Antalya, Turkey, on 23-24 November 2006.

5. DEVELOPMENT OF A BSEC MULTILATERAL QUOTA SYSTEM UNDER ECMT MODEL (new)

The last Meeting of the BSEC-URTA General Assembly in Istanbul on 11 May 2006, brainstormed about technical and political possibilities for the interested BSEC Member States to



introduce additional quota using the ECMT Multilateral Quota System model, to each other and on a voluntary basis.

Since then, extensive and comprehensive work have been carried out by the BSEC-URTA organs and its International Secretariat, which are reported to Tenth Meeting of the General Assembly in the working documents DOC/GA10/ECMT.1/06, DOC/GA10/ECMT.2/06 and REP/WP04/GA10/06.

IRU-BSEC INTERACTION:

- 1. IRU-BSEC COOPERATION AGREEMENT
 - (a) Follow up internal approval of the draft text by the competent BSEC organs.

Competent BSEC organs approved the draft text of the MoU between the IRU and the BSEC Organization.

(b) Work for signing of this agreement in 2006.

The Memorandum of Understanding between the IRU and the BSEC Organization initiated by the BSEC-URTA, was signed between two Organizations in Sochi, Russia, on 27 September 2006 on the occasion of the Meeting of the Ministers of Transport of the BSEC Member States.

- 2. IRU-BSEC BUSINESS COUNCIL COOPERATION
 - (a) Encourage participation of the BSEC BC in the IRU World Congress in Dubai.

Due to the high level meetings of the BSEC Organisation which took place in Romania on the same dates, the BSEC Business Council Secretary General was not able to attend the IRU World Congress in Dubai.

(b) Support direct visits and contacts between the BSEC BC and the IRU Secretariat General.

No direct visits or contacts took place between the BSEC BC and the IRU Secretariat General since the last meeting of the BSEC-URTA General Assembly.

GOOD EXAMPLES:

- 1. ASSOCIATION MANAGEMENT
 - (a) <u>Encourage the host Associations to present about their organizational structure, operations,</u> services and activities as well as their best practices on the occasion of the BSEC-URTA <u>General Assembly meetings.</u>

The practice is continued, systematically, on the occasion of each meeting of the BSEC-URTA General Assembly, except its special 10th Meeting, which marks the 5th Anniversary of the BSEC-URTA.

- 2. COMPANY PRACTICES
 - (a) <u>Support the IRU's Best Industry Practices report and stimulate regional interest for it.</u>



BSEC-URTA cooperates with the related Member Associations to give guidance to interested successful road transport operators, particularly those, which were invited to make presentations at the BSEC-URTA General Assembly meetings, if they are interested to submit their application to enter next issue of the IRU's Best Industry Practices report, if any.

(b) <u>Encourage the host Associations to allow representatives of its member companies having good</u> <u>examples to present themselves on the occasion of the BSEC-URTA General Assembly</u> <u>meetings.</u>

The practice is continued, systematically, on the occasion of each meeting of the BSEC-URTA General Assembly except its special 10th Meeting, which marks the 5th Anniversary of the BSEC-URTA.

PROJECT DEVELOPMENT AND INFORMATION:

- 1. SYSTEMATIC PROJECT DEVELOPMENT
 - (a) <u>Search for available calls for proposals and calls for expression of interest under the European</u> and international programs and funds, which relate to the road transport and may create benefits for the interested Member Associations or their members, if awarded.

Since the 9th Meeting of BSEC-URTA General Assembly held in Istanbul in 11 May 2005, the International Secretariat did not identify any new and specific calls for proposals or expressions of interest by the European Commission, which is related to road transport and logistics industries and can be undertaken with the cooperation of related BSEC-URTA Member Associations.

2. BSEC-URTA WEB PORTAL

(a) <u>Publish the BSEC-URTA official documents on the portal and keep it updated with professional news and regional developments.</u>

The International Secretariat has regularly published on the BSEC-URTA web portal <u>www.bsec-urta.org</u> its official documents together with other official documents of meetings where the BSEC-URTA was represented. Also, the sectoral news and regional developments related to the road transport industry are published regularly on the BSEC-URTA web portal.

A special section called "BSEC Region Best Practices" was introduced in the BSEC-URTA web portal with a view to promote the industry best practices in the BSEC region. The section already contains those company presentations, which were presented in the previous meetings of the BSEC-URTA General Assembly.

Another special section called "Waiting Times at the BSEC Borders" was created on the BSEC-URTA web portal, which contains monthly updated reports on waiting times at internal and external BSEC borders.

(b) <u>Publish an electronic transport and logistics guide, including a directory of transport operators</u> and service providers in the BSEC region, by compiling the information made available by the <u>Member Associations and the information obtained from various other sources.</u>

The BSEC-URTA International Secretariat continues to develop a new module in the BSEC-URTA web portal for publishing the list of transport and logistics companies in the BSEC region.



3. REGIONAL TRANSPORT STATISTICS

(a) <u>Issue two updated versions of the BSEC-URTA Regional Outlook Report according to the</u> information provided by the Member Associations and the information obtained from various other sources.

The practice started in Athens in June 2005 and is continued, systematically, by releasing the semi-annual updated versions.

LOBBYING and PROMOTION:

- 1. FOLLOW UP ISTANBUL 2004 CONFERENCE
 - (a) <u>Implement instructions of the BSEC-URTA General Assembly whether to organize follow-up</u> workshops and similar conferences in the future.

The 8th Meeting of the BSEC-URTA General Assembly held in Chisinau on 24 October 2005, agreed to consider the follow up of ISTANBUL 2004 Conference only whenever a BSEC-URTA Member Association would like to organize an international event of similar character.

2. COOPERATION BETWEEN TRANSPORT RELATED BSEC NGOs

(a) Approach the transport related BSEC NGOs to strengthen bilateral cooperation.

During the 5th International Conference "The Black Sea Area Transport Network Formation: East-West Network Integration" held in Odessa on 7-8 June 2006, the representatives of the BSEC-URTA, the Black Sea International Shipowners' Association (BINSA) and the Black and Azov Seas Ports Association (BASPA), two sister transport related BSEC NGOs, exchanged views on issues of common interest such as the improvement of ro-ro services offered to hauliers in the BSEC region and strengthening of the position of the BSEC NGOs vis-à-vis the BSEC governmental structures. The representatives agreed that cooperation between them is needed.

Based on this understanding and at the initiative of the BSEC-URTA International Secretariat, the three BSEC NGOs agreed to undersign a Memorandum of Understanding under patronage of the BSEC PERMIS and prepared a draft action plan to draw the guidelines of their future cooperation.

The MoU among these transport related BSEC NGOs will be signed during the 10th Meeting of the BSEC-URTA General Assembly in Antalya on 24 November 2006.

(b) Work together to encourage emergence of new BSEC NGOs.

Transport related BSEC NGOs will commence their active cooperation under this subject in 2007, following the signing of the abovementioned MoU and in compliance with their cooperation action plan as mentioned.

- 3. COOPERATION WITH BSEC PERMIS AND BSEC BC
 - (a) <u>Organize mutual working visits and debriefings on activities and policy priorities of the BSEC-URTA.</u>



BSEC-URTA International Secretariat visited the BSEC PERMIS and the BSEC Business Council on various occasions since the last meeting of the BSEC-URTA General Assembly, for various purposes including:

- exchange of information and preparations under the agenda of the Seminar on Implementation of the BSEC MoU on Facilitation of Road Transport of Goods held in Moscow on 19-20 July 2006;
- coordination meeting together with the BSEC PERMIS on issues of the agenda of the Working Group on Transport (WG-T) held in Sochi on 25-26 September 2006;
- coordination meeting on issues to be discussed during the Meeting of the BSEC Working Group on Transport and the Meeting of the Ministers of Transport held in Sochi on 25-27 September 2006;
- discussion on agenda items of the Ad Hoc Expert Group on Customs held in Istanbul on 9-10 October 2006;
- invitation to the BSEC-URTA General Assembly and discussion of the technical and administrative matters of the organization of the WG-T Meeting in Antalya on 23-24 November 2006;
- coordination meeting together with the representative of the Ministry of Transport of Romania as Country Coordinator of the BSEC Working Group on Transport on issues related to the agenda of the next meeting of the WG-T in Antalya on 23-24 November 2006.

COMBINED TRANSPORTATION:

- 1. IMPROVEMENT OF FACILITIES AND SERVICES
 - (a) <u>Contact service providers to request their cooperation and initiatives in order to improve the aspects of their services and used facilities, which were identified not satisfactory by the road transport industry.</u>

The International Secretariat initiated a dialogue with the Black Sea International Shipowners' Association (BINSA), the Black Sea International Shiprepairers Association (BRASS) and the Black and Azov Seas Ports Association (BASPA) in order to develop professional cooperation with the view of improving the quality of ro-ro services provided by their members in the Black Sea region. In this regard, the parties have agreed to prepare a joint project proposal under leadership of the BSEC-URTA with the request of financial support under the BSEC Project Development Fund.

(b) <u>Cooperate with Superfast Ferries in Greece in order to increase efficiency of Igoumenithsa Port</u> as a major transit point for the industry in South East Europe, and to analyze together the need for new services in the Black Sea.

After the visit paid by the delegation of Superfast Ferries to the BSEC-URTA International Secretariat in Istanbul on 5 May 2006, the International Secretariat held another meeting with the representative of the company in Lithochoro, Greece, on 8 September 2006 on the occasion of the 'Inter-Balkan Conference' organized by the OFAE where the BSEC-URTA International Secretariat expressed readiness to work together with the Superfast Ferries in order to develop new services in the BSEC region according to the real market requirements.

PROFESSIONAL TRAINING:

1. MUTUAL RECOGNITION OF CPC CERTIFICATES AND DIPLOMAS



(a) <u>Take part in the meetings and follow-up results of the related BSEC competent organs and</u> <u>related bodies.</u>

Since the Ninth Meeting of the BSEC-URTA General Assembly in Istanbul on 11 May 2006, no concrete action has been taken.

(b) <u>Work together with the IRU Academy and the IRU Permanent Delegation to the EU in order to</u> facilitate possible contacts between the BSEC representatives and the EC with a view to having the EC's support regarding the draft BSEC agreement on this subject.

Since the Ninth Meeting of the BSEC-URTA General Assembly in Istanbul on 11 May 2006, no concrete action has been taken.

- 2. AITA-ARTRI-UND JOINT PROFESSIONAL DISTANT LEARNING PROJECT
 - (a) <u>Support AITA, ARTRI and UND to use at home, actively, the newly developed distant learning</u> web portal for the CPC training of road transport managers.

The software, which was developed by the three associations, is installed and operational at the web portal of the International Transporters' Association of Turkey (UND) at the following web link: <u>http://212.58.20.25</u>.

Installation of the software on the IT systems of both AITA and the ARTRI continues, which will be completed after a meeting of their IT specialists with the software developing company B2B in Istanbul.

(b) <u>Encourage other BSEC-URTA Member Associations to benefit from this tool in their training</u> <u>activities.</u>

A special section is created at the BSEC-URTA web portal for this Distant Learning Software. The International Secretariat remains at disposal of the interested BSEC-URTA Member Associations to give necessary assistance for their use of the software in the context of their own professional training activities.

(c) <u>Promote, together with the IRU Academy if possible, the newly developed distant learning web</u> portal vis-à-vis the World Bank, BSTDB and other financial organizations, which might provide financial support for its actual implementation or expansion of its implementation.

No concrete action has been taken, yet, before completion of the abovementioned steps.

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