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PORTS AND THE TRANS-EUROPEAN NETWORKS POLICY

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Ladies and Gentlemen,

The European Commission has an established policy to promote Short Sea Shipping. This policy tackles the fast growth of heavy road transport, congestion, road accidents and pollution caused by heavy trucking. Furthermore, it enhances cohesion and links to peripheral areas and islands. The overall policy objective in terms of expected results is modal shift from road to short sea in order to minimise unsustainable trends in transport.

Before going further, let me just recall that our Short Sea Shipping policy extends beyond the EU Member States to cover the whole of the Baltic Sea, the Black Sea and the Mediterranean.

Short Sea Shipping Is Doing Well but It Could Do Better

Short Sea Shipping is in fact the only mode of transport that is able to keep pace with the fast growth of road transport. Between 1995 and 2002 the growth rates of Short Sea Shipping and road were equal with 25 % growth in both cases. Short Sea Shipping performs currently around 40 % of all tonne-kilometres in Europe while the share of road is 45 %.

However, in spite of being a success story of the last ten years, the mode suffers from a number of problems that hinder its further development:

- First, Short Sea Shipping has still not achieved full integration in the intermodal chain and it seems to lack a clear door-to-door image.
- Second, Short Sea Shipping is, admittedly, an administratively complex mode. The present documentary and administrative procedures create a burden for Short Sea Shipping, not least because requirements vary significantly from one country to another.
- The third area that can be characterised as problematic for Short Sea Shipping is the efficiency of ports, their hinterland connections and the relative inflexibility of port service providers, including non-transparent charging practices.

So What Can We Do To Solve the Problems?

To help overcome these problems and integrate Short Sea Shipping tighter into the door-to-door logistics chain, the Commission presented in 2003 a Programme for the Promotion of the mode¹. This Programme outlines 14 individual ‘actions’ that are considered instrumental to speeding up the success of the mode. The actions consist of a limited number of legal measures and a variety of soft measures. They contain the following main elements:

¹ Communication from the Commission: Programme for the Promotion of Short Sea Shipping, COM(2003) 155 final, 7.4.2003. See http://europa.eu.int/comm/transport/maritime/sss/index_en.htm.

IMO-FAL

The European Commission has already started to tackle the administrative complexity of Short Sea Shipping. In 2002, the European Union adopted a Directive² stipulating that the international IMO-FAL forms³ have to be recognised in their standard format for ships to arrive in and depart from European Union ports. The Directive entered into practice on 9 September, 2003, and has replaced the multitude of more than 50 different forms in use in Europe by 5 standard ones. The basic reporting formalities that the Directive covers relate to the ship, its stores, its crew's effects, its crew and – for cargo ships – also its passengers. We seem to have hit the right note, because all the players agree both at political and practical levels.

The Directive shows the way to potential future Member States and any country in the world that the internationally accepted FAL forms can be accepted without any national modifications.

Customs Guide

The next element in administrative and documentary procedures - which we are addressing - is Customs matters. For this, the European Commission presented in 2002 a Guide to Customs Procedures for Short Sea Shipping⁴. This Guide outlines the EU Customs rules that apply to Short Sea Shipping, and includes the opportunities that are available for using simplified Customs procedures between the EU Member States.

To explain simplified procedures more in detail, the Commission presented in March 2004 a Working Document on Authorised Regular Shipping Services⁵. The document explains the modalities of this service that - for Community goods between two Member States - can be compared to a road bridge with as little Customs formalities as in road transport.

² Directive 2002/6/EC of the European Parliament and of the Council of 18 February 2002 on reporting formalities for ships arriving in and/or departing from ports of the Member States of the Community, OJ L 67, 9.3.2002, p. 31. See http://europa.eu.int/comm/transport/maritime/sss/imo_fal_en.htm.

³ International Maritime Organisation's Facilitation Forms.

⁴ Commission Staff Working Document: Guide to Customs Procedures for Short Sea Shipping, SEC(2002)632, 29.5.2002.

⁵ Commission Staff Working Document: Simplified Customs Procedures in Short Sea Shipping: 'Authorised Regular Shipping Service', SEC(2004) 333, 17.3.2004. See http://europa.eu.int/comm/transport/maritime/sss/custom_guide_en.htm.

A rather recent innovation in simplifying administrative procedures is the concept of one-stop administrative shopping or ‘single window’, as it is called in IMO terminology. These shops would ideally allow Customs and other administrative data to be forwarded - electronically or otherwise - to a single entry point in the administration. In other words, the commercial operators and carriers would forward or hand in the necessary documentation only once and not separately to each single authority. The concept could also be extended to co-ordination and delegation between authorities to reduce the number of authorities boarding every ship. All these efforts would simplify Short Sea Shipping and help give it a better administrative image.

Port Services

Regarding port services, Short Sea Shipping needs efficient and short-sea friendly ports, reasonable turnaround times, and transparent procedures and charges. Only with ports operating seamlessly in the intermodal chain, can Short Sea Shipping enhance its true role in Europe. And these pre-conditions are not always being met.

Consequently, the Commission made in 2001 a proposal on access to the port services market⁶ in the European Union. This proposal aimed to increase the efficiency and lower the costs of certain port services: pilotage, towing, mooring, services to passengers and cargo handling.

However, the European Parliament voted against the proposed text after conciliation with the Council. Consequently, availability of competition in the port services market remains less intense than it would have become with a specific Directive.

The Commission feels that it is now more acute than ever to establish a legal framework for the access to the provision of port services. This is why the Commission adopted last year a new proposal⁷ on the subject so that Short Sea Shipping could enjoy the highest efficiency in ports.

⁶ Proposal for a Directive of the European Parliament and of the Council on market access to port services, COM(2001)35 final, 13.2.2001, as amended by COM(2002) 101 final, 19.2.2002.

⁷ Proposal for a Directive of the European Parliament and of the Council on market access to port services, COM(2004) 654 final, 13.10.2004.

Recently the Commission, in co-operation with ESPO (European Sea Ports Organisation), launched an initiative of best practises in short-sea friendliness of European ports. This initiative gives any port in Europe the possibility to address the short-sea community and present their approach to Short Sea Shipping for everyone to read on a Commission-hosted Internet site⁸. More information on this initiative and how to make submissions can be received from ESPO or from the Commission (SSS@cec.eu.int).

Promotion Networks

Short Sea Shipping Focal Points

Not everyone is so far aware of the modern benefits of door-to-door Short Sea Shipping. For this purpose, in nearly every maritime Member State and Norway and Iceland we have Short Sea Shipping Focal Points who are civil servants in their national administration and responsible for promoting the mode nationally. The European Commission intends to deepen co-operation between these Focal Points at European level and extend it to other countries. Among them, Bulgaria, Croatia, Romania and Turkey, have already nominated Focal Points.

Marco Polo

One and a half years ago the Commission approved a regulation for a new intermodal support programme ‘Marco Polo’⁹. The programme covers rail and inland waterways in addition to Short Sea Shipping and has a wide, intermodal scope. In particular, it intends to help overcome the high cost threshold of starting up new services.

Marco Polo also gives clear policy directions to industry on what changes the Community expects and needs in the freight market. It also features quantified and verifiable modal shift objectives: it intends to contribute to shifting the yearly increase of international road freight to Short Sea Shipping, rail and inland waterway. This means 12 billion tonne-kilometres shift per year. The preliminary results of the first calls for proposals under Marco Polo show that this target can even be exceeded.

⁸ [Http://forum.europa.eu.int/Public/irc/tren/short-sea_friendliness_of_ports/library](http://forum.europa.eu.int/Public/irc/tren/short-sea_friendliness_of_ports/library).

⁹ Regulation (EC) No 1382/2003 of the European Parliament and of the Council of 22 July 2003 on the granting of Community financial assistance to improve the environmental performance of the freight transport system (Marco Polo Programme), OJ L 196, 2. 8.2003, p. 1
See http://europa.eu.int/comm/transport/marcopolo/index_en.htm.

With its budget of over 100 million euros over the first years¹⁰, the programme is able to give a substantial input to starting up new inter-modal services in Europe. But let me add a word of caution here to avoid misunderstandings. Marco Polo cannot, and is not intended to, replace private industry initiatives. Short Sea Shipping would risk extinction, if it were to rely too heavily on public interventions. From the point of view of competition between operators, Marco Polo does not intend to interfere with the commercial activities of established operators.

Non-EU countries have been able to associate themselves with Marco Polo projects. This association has not entailed monetary support. However, candidate and association countries have the option to conclude specific agreements or Memoranda of Understanding with the EU to become full partners in the Programme, if they so wish.

To avoid a common misunderstanding, Marco Polo proposals are submitted by the private sector or, in other words, by undertakings that are engaged in an economic activity. This means that governments or public bodies cannot submit proposals unless they fulfil the criterion of being engaged in an economic activity.

In July last year, the Commission made a further proposal on Marco Polo, the so-called 'Marco Polo II'¹¹.

This new proposal, when adopted, would come into force on 1 January 2007 and would continue the actions eligible under the current Marco Polo programme but would have a considerably larger budget. The overall budget proposed is 740 million euro for the period 2007-2013. That would mean around 106 million euro per year. The new Programme would continue the actions under the current Marco Polo but would also have new actions, such as an action for Motorways of the Sea.

Motorways of the Sea

Now I would like to say a few words about 'Motorways of the Sea' which are strongly emphasised in the 2001 European Commission White Paper on

¹⁰ That is 1.1.2003 – 31.12.2006.

¹¹ Proposal for a Regulation of the European Parliament and of the Council establishing the second "Marco Polo" programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system ("Marco Polo II"), COM(2004) 478 final, 14.07.2004. See http://europa.eu.int/comm/transport/marcopolo/2/index_en.htm.

European Transport Policy for 2010¹². These Motorways of the Sea should become part of the trans-European transport network (TEN-T) - just like land motorways and railways are - and they should reduce road congestion and/or improve access to peripheral and island regions and States. Further to reducing the number of lorries on the main roads, they could also in certain cases contribute to fostering passenger transport by sea since vessels can carry freight and passengers at the same time.

Motorways of the Sea should become an integral part of door-to-door logistics chains and offer efficient, regular, reliable and frequent services that can compete with road, for instance, in terms of transit time and price. Such an objective would require concentrating freight flows through the efforts of a wide industry spectrum and through co-operation between the relevant industries and between these industries and the authorities. Ports connected to the Motorways should have efficient hinterland connections, rapid administrative procedures (one-stop shops) and a high level of service that is targeted to making short-sea operations successful.

In April 2004 the European Union adopted a Decision revising the Community Guidelines on the development of TEN-T¹³. This revision includes 29 priority projects one of which is the priority project on the development of Motorways of the Sea. This project contains four Motorway of the Sea areas:

- Motorway of the Baltic Sea (linking the Baltic Sea Member States with Member States in Central and Western Europe, including the route through the North Sea/Baltic Sea canal);
- Motorway of the Sea of western Europe (leading from Portugal and Spain via the Atlantic Arc to the North Sea and the Irish Sea);
- Motorway of the Sea of south-west Europe (western Mediterranean, connecting Spain, France, Italy and linking with the Motorway of the Sea of south-east Europe, including links to the Black Sea);
- Motorway of the Sea of south-east Europe (connecting the Adriatic Sea to the Ionian Sea and the Eastern Mediterranean, including Cyprus).

¹² COM(2001) 370, 12.9.2001. See http://europa.eu.int/comm/energy_transport/en/lb_en.html.

¹³ Decision No 884/2004/EC of the European Parliament and of the Council of 29 April 2004 amending Decision No 1692/96/EC on Community guidelines for the development of the trans-European transport network, OJ L 167, 30.04.2004, p. 1.

A new article 12a of the TEN-T Guidelines relates to Motorways of the Sea and could allow Community aid up to 20 % of eligible costs for a series of measures. This mechanism would enable Member States, with Community assistance, to support, for instance, infrastructure, facilities and logistics management systems based on an appropriate tendering procedure.

Support for the development of Motorways of the Sea should be based on the same criteria as under the Community Programme Marco Polo. These criteria would include avoidance of distortions of competition and a requirement for viability of the project on its own after a period of Community funding.

Countries that are not members of the EU could associate themselves with Motorway of the Sea projects. This association would not currently entail monetary support to non-EU countries.

To help this process, the Commission has developing financing guidelines (vademecum) that should facilitate the practical application of the legal rules¹⁴. These guidelines set out the criteria and procedures for funding Motorway of the Sea projects under the rules of TEN-T. The guidelines will not provide a step-by-step guide to setting up Motorways of the Sea because of the wide variety of ideas floating around Europe on the implementation of the concept. Instead, they concentrate on explaining the legal framework for Member States to submit eligible proposals for TEN-T financing of Motorways of the Sea.

In Conclusion

Short Sea Shipping has become a success story in goods transport. Whereas considered for many years to be a less performing mode, Short Sea Shipping has now proven its ability to reach levels of competitiveness normally attributed to road alone. This constitutes a success story in itself. Nevertheless, expected growth in European goods transport makes it necessary for Short Sea Shipping to expand even further so as to make its full contribution towards alleviating current and future transport problems in Europe.

Thank you for your attention.

¹⁴ See http://europa.eu.int/comm/transport/intermodality/motorways_sea/projects_call2005_en.htm.