Opinion of the European Economic and Social Committee on the Motorways of the sea in the logistics chain (exploratory opinion)

(2008/C 151/07)

In a letter dated 4 July 2007, the Portuguese Presidency of the European Union asked the EESC, under Article 262 of the Treaty establishing the European Community, to draw up an exploratory opinion on:

Motorways of the sea in the logistics chain (exploratory opinion)

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 18 December 2007. The rapporteur was Mr Simons.

At its 441st plenary session, held on 16 and 17 January 2008 (meeting of 16 January 2008), the European Economic and Social Committee adopted the following opinion unanimously.

1. Conclusions

1.1 Short sea shipping can play a key role in the further development of co-modality and logistics chains. All transport modes should be taken into consideration. In the context of co-modality short sea shipping could be used mainly for longer distances.

1.2 The EESC confirms its full support for measures to further develop and promote short sea shipping. However, it has questions and comments about the actual implementation of these measures.

1.3 In this context, the definition of motorways of the sea needs to be clarified. The EESC considers that this designation cannot be given solely to new subsidised services, but should apply to all efficient short sea shipping services. The EESC is pleased that the Commission has clarified the definition of motorways of the sea in the working document on the Motorways of the Sea, accompanying the Communication on the EU’s freight transport agenda of 18.10.2007, in particular that the term also includes existing services (1).

1.4 A concentration of cargo on a limited number of selected ports will have a negative influence on the efficient provision of services, and this will undoubtedly lead to congestion in the ports and their surrounding areas (2). This will not be conducive to the sustainable development of transport.

1.5 The development of additional port capacity and the improvement of hinterland connections by means of other modes should be a priority in the concept of motorways of the sea. Support measures should concentrate on these matters. This will at the same time support the policy of co-modality.

1.6 Support measures for the motorways of the sea should also be directed towards infrastructure, especially the expansion of ports and their hinterland connections, leaving in place existing support measures for services, operational costs and promotion.

1.7 Preventing distortion of competition is a sensitive point that should be tackled extremely carefully because of the specific market structure of short sea shipping. The aim must be to shift goods that are carried by road to sea routes. The aim should not be to switch goods that are carried by sea to another maritime transport operator.

1.8 The Commission intends to use quality standards as one of the evaluation criteria for motorways of the sea projects. Depending on the specific service, the following criteria could be used: frequency, a delivery service that fits in with the production process, reliability, co-modality of the services (according to the Commission’s definition, therefore, including the intrinsic merits of the mode), hinterland connections, efficient ports and junctions, e-logistics, optimal administrative procedures, etc.

1.9 In the Mid-Term Review of the Programme for the Promotion of Short Sea Shipping, the Commission states that the possibility of quality labelling will be examined for motorways of the sea. As stated in the Opinion on Freight Transport Logistics, the EESC believes that this must not generate more red tape and unnecessary costs for the sector.

1.10 The simplification and reduction of administrative procedures is likewise a priority for short sea shipping services. Customs formalities for intra-European sea cargo should not be more time-consuming than for road transport. The simplified customs procedures should be thoroughly reorganised, with the cargo and the transport operator being the focal points.

1.11 Other bottlenecks in the logistics chain must be improved. The EESC fully supports the work being done in the context of the Commission’s Freight Transport Logistics Exercise.

1.12 Both short sea shipping and the logistics services are short of highly qualified workers. Greater attention should be paid to recruitment, education and training.

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1.13 Switching goods transport from road to sea will bring benefits for both the environment and society. A further reduction in exhaust emissions from ships should be encouraged. The EESC hopes that international agreements on this will be concluded.

2. Introduction

2.1 The development of motorways of the sea in Europe was earmarked in 2004 as one of the thirty priority projects within the development of the trans-European transport network. Article 12a of Decision No 884/2004/EC (1), covering guidelines for the development of a trans-European transport network, lays down the basic elements for the motorways of the sea. In concrete terms, it was stated that the trans-European network of motorways of the sea is intended to concentrate flows of freight on sea-based logistical routes in such a way as to improve existing maritime links or to establish new viable, regular and frequent maritime links so as to reduce road congestion and/or improve access to peripheral and island regions and states. Motorways of the sea should not exclude the combined transport of persons and goods, provided that freight is predominant.

2.2 TEN funds can be claimed if the costs of motorways of the sea are concerned with facilities and infrastructure. Services and operational costs can be supported by the Marco Polo programme (2).

2.3 The projects of common interest of the trans-European network of motorways of the sea must be proposed by at least two Member States. They must consist of facilities and infrastructure concerning at least two ports in two different Member States. The projects proposed in general involve both the public and private sectors on the basis of a public call for tenders organised jointly by the Member States concerned and targeting consortia bringing together at least shipping companies and ports.

2.4 Decision No 884/2004/EC (Annex II) lists the following motorways of the sea as projects of common interest, identified in accordance with Article 12a, namely:

— 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 (Kiel Canal) (2010));

— motorway of the sea of western Europe (leading from Portugal and Spain via the Atlantic Arc to the North Sea and the Irish Sea) (2010);

— motorway of the sea of south-east Europe (connecting the Adriatic Sea to the Ionian Sea and the Eastern Mediterranean to include Cyprus) (2010) (3);

— motorway of the sea of south-west Europe (western Mediterranean), connecting Spain, France, Italy and including Malta, and linking with the motorway of the sea of south-east Europe (4) (2010);

— the EESC, taking into account EU enlargement, points out that motorways of the sea should also be developed in the Black Sea itself, not excluding compatible sea river shipping services on the Danube.

2.5 The Commission will evaluate the projects on the basis of the criteria stated in Article 12a of the guidelines for the trans-European transport network with the following key points:

— Contribution to modal shift and/or cohesion: a percentage of road freight in a given corridor should be shifted to the motorway of the sea and should contribute to the social and economic cohesion of the countries concerned.

— Quality aspects: the project should have clear quality standards with regard to five elements: port services, hinterland connections, information systems and monitoring, the shipping service itself, and integration into the TEN network.

— Viability and credibility of the project: the viability both of the service itself and of the hinterland connections must be demonstrated. The introduction of risk capital and state funding (national, regional, EU) must be clearly stated.

— Effects on competition: distortion of competition through state aid should be avoided. The impact of the project on existing services and ports must therefore be examined.

2.6 The modalities for the call for project proposals for the establishment of the motorways of the sea were laid down in a Commission Vademecum of 28 February 2005.

2.7 In the meantime, a call for tender has been published for the following projects for motorways of the sea:

— motorway of the sea projects in the Baltic Sea area: Germany/Finland and Baltic Sea;

— motorway(s) of the sea between the Atlantic coasts of Spain and France — Channel — North Sea;

— motorways of the sea projects in the North Sea region.

Other projects are being examined and discussed by various special ‘task forces’.

2.8 A Mid-Term Review of the Programme for the Promotion of Short Sea Shipping was published in mid-2006 (5).

2.9 In September 2007 the European Commission also appointed Mr Luis Valente de Oliveira (Portugal) as Coordinator for motorways of the sea.


(3) It should be pointed out that there are already short sea connections set up by private operators, for example between Turkey and Italy and between Italy and Spain.

(4) Including to the Black Sea.

2.10 In October 2007 the European Commission published a working document on the Motorways of the Sea as part of the EU’s freight transport agenda (8).

3. General comments

3.1 The EESC has consistently supported measures aimed at developing short sea shipping on account of its considerable potential and as a good alternative to other, less environment-friendly modes of transport, thereby helping to reduce road congestion, accidents and noise and air pollution (7). Furthermore, short sea shipping fits in well into the framework of co-modality and the logistics chain and offers the opportunity to provide access to the islands and peripheral regions.

3.2 The motorways of the sea initiative therefore deserves the fullest support. Nevertheless, as stated in the opinion referred to in footnote 9, the notion of motorways of the sea still raises some further questions and comments which will be discussed here.

4. The concept of motorways of the sea

4.1 There is justifiable confusion about the concept of motorways of the sea. In practice, there are already at this moment many efficient quality short sea shipping services which provide good multimodal services and thereby reduce road transport congestion and offer services to island and peripheral regions.

4.2 As was stated in the Mid-Term Review of the Programme for the Promotion of Short Sea Shipping, this is the mode of transport better placed to keep up with the rapid growth of road transport (11). Between 1995 and 2004, the tonne-mile performance of short sea shipping in the EU grew by 32 % as against 35 % for road transport. The share of short sea shipping in the EU-25 is 39 % as opposed to 44 % for road transport. In the EU-15, the share of short sea shipping was 42 % compared to 44 % for road transport.

4.3 This good performance by short sea shipping is to a large extent based on high levels of investment by shipowners in ships and, in many cases, in intermodal logistics systems, improvements in efficiency and the sale of logistical services, the work of the National Short Sea Shipping Focal Points on the bottlenecks, the practical work of the coastal shipping promotion centres, and cooperation between the industry and the European Institutions.

4.4 The intention is not to undermine this success story by not regarding existing services based on initiatives by the private sector as motorways of the sea and to keep this designation exclusively for subsidised services. The EESC is pleased that the Commission has clarified the definition of motorways of the sea in the working document of 18.10.07 accompanying the Communication on the EU’s freight transport agenda of the same date, in particular that the term also includes existing services (10).

5. Selection of ports

5.1 There is a fundamental difference between a motorway for road transport and a motorway for sea transport. Transport by lorry via a motorway connects two points in as straight a line as possible. In the case of sea transport, however, in practice cargo originating from or destined for a broad hinterland is transported via a number of different competing ports. The most competitive and efficient ports for a particular trade will then be included in the various sailing schedules of shipping companies.

5.2 The concentration of cargo on a limited number of selected ports will, however, have a negative influence on the efficient provision of services (10), and will undoubtedly lead to congestion in the ports and their surrounding areas. This does not help the sustainable development of transport.

5.3 Furthermore, the inclusion of certain ports in the motorways of the sea and the exclusion of others of similar size would also result in a distortion of competition between ports. The choice of ports must be left open in such a way that the others too, by constantly improving their efficiency, are able to develop into motorway of the sea ports.

6. Co-modality

6.1 Short sea shipping can play a key role in the further development of co-modality in, especially for longer distances. As stated in the Opinion on Freight Transport Logistics, the Committee considers that all transport modes have to be taken into consideration (8). Ports have a fundamental role in this as multimodal hubs. Various projects are being developed in this regard (8).

6.2 Bottlenecks in the logistics chain must be improved. The Commission is already carrying out a study of bottlenecks in freight logistics, which covers administrative as well as infrastructure and operational bottlenecks.

6.3 Both short sea shipping and the logistics services are short of highly qualified workers. The EESC reiterates the recommendation made in the Opinion on Freight Transport Logistics that more attention needs to be paid to recruitment education and training.

(8) See footnote 1.
(9) Co-modality project on BGV-HSC high-speed vessels and the fast motorways of the sea (www.bgv.eu).
7. Investment in ports and hinterland connections

7.1 The problems concerning the current congestion in many European ports are now well known. This underlines the need for more ports in the same league to be eligible for further development as ports for short sea shipping.

7.2 The development and expansion of ports and hinterland connections is made more difficult and often significantly delayed and/or prevented by restrictions and interpretations of existing legislation and environmental requirements. In this context, delays of between two and 11 years were cited in the existing legislation and environmental requirements. In this context, delays of between two and 11 years were cited in the ESPO Annual Report 2006/2007 (15).

7.3 As was repeatedly stated by the industry in the consultation round regarding a new EU ports policy and the Green Paper on A Future Maritime Policy for the Union, this problem urgently requires proper attention (16). The EESC notes that the Commission does give proper attention to this issue in its Communication on a European ports policy of 18.10.2007 (17).

7.4 It is therefore also clear that support measures for the motorways of the sea should also focus in this context on infrastructure and in particular on the expansion of ports and hinterland connections. This approach also fully conforms with the concept of co-modality as proposed by the Commission in the Mid-term review of the White Paper on EU transport policy (18) and in the Commission Communication on Freight Transport Logistics (19).

7.5 This does not, of course, alter the fact that existing support measures for services, operational costs, and publicity must continue to be available.

8. Distortion of competition

8.1 As mentioned in 2.5, last bullet point, the Commission itself states that state aid may not distort competition with existing services. The impact of the subsidised motorway of the sea should be closely examined, taking account among other things of the general interest, to ascertain whether competition distortion is likely to occur.

8.2 This, however, is not easy. Short sea services serve the hinterland of the ports which they call at. As noted in 5.1, this hinterland can cover a fairly large area that can also be served by other ports.

8.3 It is therefore not possible when analysing the market concerned to concentrate on one specific port; rather the entire cargo market has to be considered in order to prevent the shift of cargo from one short sea shipping service or port to another.

8.4 As stated in 2.5, third bullet point, applicants for a new project for a motorway of the sea must demonstrate the viability and credibility of the project; here too monitoring should take place to ensure that a distortion of competition is avoided.

8.5 Transparency in the allocation of aid for projects is therefore essential. An immediate correction should likewise be made whenever it appears that cargoes artificially shift between coastal shipping operators or ports.

8.6 Support for motorways of the sea is intended to result in a transition from transport by road to transport by sea. The ECO bonus as proposed in Italy (20), whereby carriers receive subsidies if they take up this idea, is a good example of well-directed aid without distortion of competition.

9. Quality standards

9.1 As stated in 2.5, the Commission will use quality standards as one of the evaluation criteria for motorways of the sea projects. Depending on the specific services, the following criteria could be used: frequency, a delivery service that fits in with the production process, reliability, co-modality of the services (according to the Commission's definition, therefore, including the intrinsic merits of the mode), hinterland connections, efficient ports and junctions, e-logistics, optimal administrative procedures, etc.

9.2 In the Mid-Term Review of the Programme for the Promotion of Short Sea Shipping (21), the Commission states that the possibility of quality labelling will be examined for motorways of the sea. As stated in the Opinion on Freight Transport Logistics, the EESC believes that this must not generate more red tape and unnecessary costs for the sector (22).

10. Administrative procedures

10.1 Both in the above-mentioned Green Paper on a Future Maritime Policy for the Union and in the Mid-term review of the White Paper on sustainable transport, the Commission refers to a 'common European maritime space', i.e. a European maritime space without frontiers. The intention is clearly to simplify the administrative procedures for short sea shipping so that they would be in line with those for road transport.

(22) TEN/262 Opinion on Freight Transport Logistics.
The EESC has taken up a position with regard to a common EU maritime space both in its opinion on the above-mentioned Green Paper and in its opinion on a common EU ports policy (\textsuperscript{23}): ‘The EESC understands that the concept of ‘a common European maritime space’, or a European maritime space without frontiers, refers only to a virtual maritime space in which there will be a simplification of administrative and customs formalities for intra-EU maritime services giving them a similar regime to transport by lorry, train or inland waterway within the internal market. If this is indeed what the Commission means and it is expressed clearly and unequivocally, the concept can be supported by the EESC, provided that in international waters (high seas) it respects the UNCLOS and IMO Conventions including the ‘freedom of navigation’ and the ‘right of innocent passage’ within the Exclusive Economic Zone (EEZ)’.

The simplification of customs procedures has been repeatedly requested by the Maritime Industries Forum (MIF) and the national contact points for the promotion of short sea shipping. In this connection, as early as 2002 the Commission published an advisory document with a view to encouraging the use of a simplified customs procedure for short sea shipping (\textsuperscript{24}).

However, the implementation of this guide has not, however, solved all problems. The key problems are that it is necessary to obtain the status of regular service (authorised regular shipping service) which is directly linked to both the vessel and the shipping company concerned (transport operator). If another vessel has to be laid on, this has to be reported. If a vessel with intra-EU cargo calls at a non-EU port during its voyage, the simplified procedure for all intra-EU cargo is cancelled (infected vessel).

A solution would be to base this simplified procedure on the shipping company concerned (transport operator) and on the cargo. Intra-EU goods/cargo could then in all circumstances use a simplified procedure which should be the same as for road transport.

Multimodal liability needs to be looked into. This is being discussed by UNCITRAL. The EESC recommends an early agreement.


The President
of the European Economic and Social Committee
Dimitris DIMITRIADIS

\textsuperscript{25} Sulphur Emission Control Areas.
\textsuperscript{26} Stern Review on the economics of climate change, UK, October 2006.