

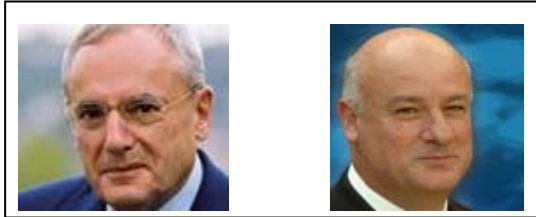


# ECSA Newsletter

European Community Shipowners' Associations

• N° 3/07

## GREEN PAPER ON A FUTURE MARITIME POLICY FOR THE UNION



### ***European Parliament***

End April, the Rapporteur of the lead Committee of the European Parliament – Willi Piecyk – issued his draft opinion on the Green Paper on a Future Maritime Policy for the Union.

The draft opinion supports a holistic maritime policy and covers a variety of different issues such as the reduction of ships emissions, environmental issues in general, the maritime safety package III, the human factor and the necessity to maintain maritime know how in Europe, recycling of ships, reception facilities, a strategy on ports and improved hinterland connections.

The report was presented to the TRAN Committee on 7 May and it will be followed by the usual process of discussions within the European Parliament.

### ***Bremen Conference 2-4 May 2007***

The German Presidency organised from 2 till 4 May a Conference on the Green Paper in Bremen. The Conference was opened by the President of the EU – Chancellor Angela Merkel – and Commission President José Manuel Barroso. Vice President and Commissioner for Transport Jacques Barrot, Commissioner Joe Borg, in charge of the Green Paper, and the German Federal Minister for Transport – Wolfgang Tiefensee – opened the first sessions.

It was reported that the parties that have been consulted, supported an integrated maritime policy. It was confirmed that it makes sense to act at an EU level only where synergies between different sectoral policies, government agencies and economic actors can be created or when resulting in economies of scale. In this respect three tools of action would already appear: spatial planning with subsidiarity for Member States, a European marine observation and data network, and maritime surveillance.

It was stressed that Europe has a very competitive maritime transport sector and should reinforce its position as world leader. The global competition is lively not allowing any strategic errors. To maintain maritime know how it is essential to attract high quality people to the maritime sector. It was advocated to create a Common European Maritime Space resulting in an internal market for maritime transport where ships can have the same administrative measures as trucks have today. A European port policy, allowing the necessary investments and appropriate hinterland connections resulting in efficient services, was envisaged.

Ministers/Secretaries of State of Germany, France, Poland, the Netherlands, Finland and Portugal advised on their views on the different themes brought forward in the Green Paper and they explained the consultation process that they had followed.

Issues such as education and training, the global character of shipping, governance, and the right balance between different interests were touched upon. The environment and ships' emissions received particular attention. Some Governments stressed that there is no need for new legislation, that IMO legislation on safety and environment

should be applied and that the subsidiarity principle should be respected.

Stakeholders, the Committee of Regions and ECOSOC expressed views on the themes such as: employment and competitiveness, life on the coast, research and innovation, and joint responsibility for the oceans and seas. The vast majority reiterated views expressed in their submissions.

Willi Piecyk, Rapporteur on the Green Paper for the European Parliament's TRAN Committee, explained the key points of the draft report that would go through the EP process.

Though, it is difficult to make conclusions on the basis of the variety of views expressed, a Bremen Declaration was presented identifying four areas for possible action notably: boosting employment and competitiveness, practising joint responsibility for the seas, boosting research and innovation and improving life on the coast.

The consultation process on the Green Paper, which started in June 2006, will be completed by the end of June 2007. As advised by Commissioner Borg at the conference the Commission will issue on 10 October 2007 two Communications notably on the outcome of the consultation process and on a vision for a maritime policy including suggestions on actions that can be taken.

**THE EUROPEAN PARLIAMENT'S  
PLENARY SESSION ADOPTS  
OPINIONS ON THE THIRD MARITIME  
SAFETY PACKAGE PROPOSALS**

On 25 April, the European Parliament voted in Plenary session on five out of seven legislative proposals of the Third Maritime Safety Package. The outcome of this vote can be summarised as follows:

***EC Regulation / 2002 Athens Protocol***

The Commission's proposal for a Regulation which aims at incorporating the 2002 Protocol to the Athens Convention relating to the carriage of passengers and their luggage by sea into EU law, thereby introducing compulsory insurance to cover passengers in the event of shipping accidents and raising the compensation limits, was supported. The Commission's proposal on a right for an advance payment to cover immediate economic losses of passenger victims was also supported but – in line with a request from the shipping industry – the European Parliament has restricted this to shipping incidents for which the Athens Protocol provides a strict liability regime. Furthermore, the European Parliament has stressed that advance payment does not constitute recognition of fault.

***Revised Directive on Port State Control***

The European Parliament has proposed to expand inspections to vessels with a high risk profile as well as to passenger ships and oil and chemical tankers of more than 12 years old. Furthermore, The EP proposed to extend the role of pilots in detecting possible shortcomings onboard ships and report anomalies or apparent defects to the competent authority of the port state. Similarly, it was proposed that Member States must ensure that vessels flying the flag of a State that is IMO grey or black listed and which have been detained in a European port more than twice during the previous 36 months, should be refused access to their ports and anchorages. Finally, an incorporation of the 2006 ILO Maritime Labour Convention into Community law was also backed.

Meanwhile, the German Presidency of the EU has advised that they have the intention to seek a Council decision on this draft Directive at the Transport Council meeting in June.

***Revised Directive on Vessel Traffic Monitoring***

The European Parliament agreed that vessels in distress have to be accepted in designated places of refuge. The decision to designate a place of refuge should be taken by an independent competent authority with full decision-making powers regarding actions to be taken to protect human lives, to protect coasts from pollution and to reduce adverse economic effects.

In case a port designating a place of refuge to a ship in distress would incur costs as a result thereof, Member States should ensure the compensation of costs and economic loss suffered by a port, particularly in cases where such costs are not covered by a financial guarantee or insurance of the shipowner or by virtue of any other existing compensation mechanism.

Finally, the European Parliament endorsed an amendment of the TRAN Committee to equip vessels moving between European ports with Long Range Identification and Tracking Systems (LRIT).

### ***Classification Societies***

As regards the draft Directive establishing common rules and norms for ship inspection bodies, the European Parliament supported a proposal to entrust Member States with the setting in place – within 12 months from the Directive's entry into effect – of an assessment committee responsible for monitoring the work and the quality of classification bodies. These certified bodies may on behalf of the flag nations carry out inspections on ships pursuant to common rules applicable to Member States. Furthermore, the EP lowered the cumulated amount of fines and penalties imposed on companies found guilty of infringements to 5% of their total turnover.

### ***Accident Investigation***

As regards the proposed Directive on Accident Investigation, which aims at establishing guidelines on technical

investigations to be carried out following maritime casualties and incidents, the European Parliament made it an obligation for Member States to open a safety investigation – as promptly as is practicable – after a marine casualty or incident has occurred but not later than two months after the occurrence thereof. Furthermore, the EP sought to strengthen the independence of the investigative body and to make a stricter distinction between technical and criminal investigations. The need for an effective early warning system, co-operation among Member States and incorporating findings into the joint methodology was also underlined.

### ***Third Maritime Package legislative proposals agreed previously***

Contrary to its initial intention to deal with the Third Maritime Safety Package as a package, the European Parliament eventually decided to vote on the Commission proposals for a Directive on flag state compliance and on civil liability and financial guarantees for shipowners at an earlier time, notably in March. The reason has been that, by doing so, the European Parliament has increased political pressure on Member States so that they start discussing these two proposals soonest.

The European Parliament endorsed all amendments from the TRAN Committee on the proposed Directive on civil liability and financial guarantees for shipowners, including the controversial proposals to apply this directive only to parties outside the maritime transport chain, to establish a Community Office to act as a database of financial guarantee certificates for civil liability and to set up a Solidarity Fund to cover damage caused by ships without any financial guarantee (certificate) at all.

As regards the draft Directive on flag state compliance, the European Parliament has supported the Commission's proposal whilst providing Member States with more flexibility as to how to implement IMO Conventions at national level in line with IMO.

Time being, the Council of Transport Ministers has abstained from discussing the proposed Directive on civil liability and financial guarantees for shipowners as well as the flag state compliance proposal due to their very controversial content.

## **ENVIRONMENT**

### ***NOx, SOx and Particulate Matter***

ECSA is fully committed to the further international reduction of air emissions in the shortest possible timeframe and with ICS has proposed a holistic, goal based approach as the most appropriate and best means of stimulating the search for alternative, equivalent solutions to produce the desired outcome. ECSA has been closely following the IMO developments and it is encouraging that as a result of the April BLG11 a cross government/industry scientific group will soon be established to analyse in detail the pros and cons of all the various specific options on the table to reduce NOx, SOx and Particulate Matter emissions.

It is very much hoped that IMO will be able to reach decisions on significant measures to further reduce emissions in early 2008. In the EU context, it is important that they do so as the 2005 Sulphur Directive is due for review in 2008 and the outcome of the ongoing discussions in IMO on the revision of MARPOL Annex VI will have a direct bearing on the content of any possible proposals to revise the Directive put forward by the Commission.

### **CO2**

Global warming is very much at the top of the political agenda both internationally and at the EU level. While shipping only accounts for some 1.8% of global greenhouse gas emissions, it is recognised that the industry should seek means of reducing this amount and it is committed to doing so. It is currently examining the options in this regard, taking account of the need for a holistic approach, balancing the availability of technology to reduce emissions, the need to encourage innovation and the economics of world trade. By definition,

measures to reduce global warming need to be taken at the global level to be effective.

The Commission is urging international action and is currently also at the stage of examining the possible options, and will be undertaking a detailed study on such starting later in 2008. It is envisaged that consultation and cooperation between the industry and the Commission is the best way forward.

### ***A European parliament's temporary committee on climate change***

On 25 April, the European Parliament agreed to set up a Temporary Committee on Climate Change with a one-year mandate. The Committee will be composed of 60 members and have the following powers:

- Formulate proposals on the European Union's future integrated policy on climate change and coordinate the European Parliament's position with a view to negotiating the international framework for climate policy after 2012;
- Analyse and evaluate the state of climate change and propose appropriate measures, at all levels, accompanied by an assessment of both their financial impact and the cost of inaction;
- Draw up a comprehensive inventory of recent advances and future prospects in combating climate change, in order to provide the European Parliament with a detailed analysis to assume its political responsibilities;
- Study the environmental, legal, economic, social, geopolitical, regional and public-health impact of these recent advances and future prospects;
- Analyse and evaluate the application to date of relevant Community legislation;
- Make the necessary contacts and hold hearings with national parliaments and governments of the Member States and third countries, the European Institutions and international organisations, as well as representatives of the scientific community, business and civil society,

including the networks of local and regional authorities.

### **CRIMINAL SANCTIONS FOR SHIP-SOURCE POLLUTION**

End March, the Commission issued a press release to inform that they will act against Member States which have not (yet) implemented the provisions of Directive 2005/35/EC into their national law by 31 March 2007.

Directive 2005/35/EC provides for principles on which basis ship-source pollution infringements should be penalised. The concrete penalties, however, are laid down in Council Framework Decision 2005/667/JHA of 12 July 2005 to strengthen the criminal-law framework for the enforcement of the law against ship-source pollution. The provisions of this Framework Decision had to be implemented in Member States' laws by 12 January 2007 latest.

### **ENVIRONMENTAL LIABILITY DIRECTIVE**

On 30 April 2007, EU Member States were obliged to bring into force the laws, regulations and administrative provisions necessary to comply with Directive 2004/35/CE of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage. However, Italy, Lithuania and Latvia are the only Member States to have transposed this Directive into national law. The Commission may consider legal action against the remaining Member States.

The purpose of this Directive is to establish a framework of environmental liability based on the 'polluter-pays' principle, to prevent and remedy environmental damage. Environmental damage includes damage to water resources, natural habitats, animals and plants as well as contamination of land which causes significant harm to human health.

As regards maritime transport, the Directive shall not apply to environmental

damage or to any imminent threat of such damage arising from an incident which is covered by relevant IMO Conventions, in particular on oil pollution damage (CLC/IOPCF), hazardous and noxious spills (HNSC) and bunker oil spills (BOC), provided they have entered into force in the Member State concerned. Furthermore, the Directive is without prejudice to the right of the operator to limit his liability in accordance with national legislation implementing the Convention on Limitation of Liability for Maritime Claims (LLMC), 1976, including any future amendment to the Convention.

### **SECURITY**

On 19 April 2007, the European Commission organised an E-customs workshop examining the impact to maritime transport of Regulation 1875/2006 of 18 December 2006 revising certain provisions of the Community Customs Code.

The meeting, which was attended by representatives from the Commission, Member States and the Industry, discussed the impact of the provisions on advance cargo declaration to the maritime industry with an aim at providing assistance to the European Commission when drafting Guidelines or a manual on the implementation and application of the afore-mentioned Regulation 1875/2006.

The main aim of the Industry was to persuade the Commission of the practical difficulties which are expected to result from Regulation 1875/2006 with an aim at getting involved in the drafting process of the Guidelines. Time being, the Industry has not yet been given that opportunity.

## **MARITIME EXTERNAL RELATIONS**

### **World Trade Organisation**

#### ***Trade report 2006 & outlook 2007***

The preliminary assessment of World trade in 2006 and the outlook for 2007 shows:

- Overall trade expansion in real terms (i.e. ignoring price changes). The dollar value of world merchandise exports increased by 15% to \$11.76 trillion in 2006.
- Price changes affected the nominal merchandise trade growth rates of countries and whole regions. The annual average prices for fuels and metals rose sharply, benefiting the export earnings of fuels and metal exporters.
- GDP growth accelerated to 3.7%, the second best performance since 2000. All major regions recorded GDP growth in excess of population growth.
- The strong global macro-economic situation in 2006 provided a favourable framework for the expansion of international trade. A large part of this trade acceleration can be attributed to the marked recovery in Europe's export and import growth.
- China's merchandise trade expansion remained outstandingly strong in 2006.
- For 2007, assuming a generally accepted basic scenario of global economic GDP growth of nearly 3%, global merchandise trade could slow down to about 6%, or 2 percentage points less than in 2006.

### ***DDA negotiations***

In Delhi on 11 & 12 April, the G6 [the G4 comprising EU, US, Brazil and India, plus Japan and Australia] agreed to close the DDA round before the end of the year 2007, which in practice can mean somewhere between December 2007 up to February 2008, so as to give sufficient time for the technical fine tuning before the final signing ceremony. The G4 ministers committed to finalise the convergence process for mid-June.

Reportedly, there is a strong feeling that "end game" is in sight before the summer,

whatever the final outcome will be. The G4 convergence process is taking longer than expected, but negotiators are slowly moving towards the critical point. The key element remains a breakthrough on Agriculture and NAMA. Services and Rules (i.e. notably Anti-Dumping & Dispute Settlement Understanding' review) will come in a second phase. If cuts in tariffs remain too low – with differences between industrialised, developing and least developed economies - the EU would need to get something else in another area to compensate what it will give in agriculture. EU lead negotiators are confident that a deal is doable, provided that the US and India really want such a deal. Meanwhile active working sessions at all levels are taking place in Geneva.

### **Market Access - New EU Strategy with stronger partnership**

The Commission published a Communication on 18 April, proposing a clearer, more results-oriented approach that focuses on concrete problems that EU businesses face in third country markets. It foresees a greater decentralisation of the current system and better use of local knowledge and initiative through the development of locally based EU Market Access Teams drawn from Commission Delegations, Member State Embassies and business. The approach is much in line with suggestions made by ECSA and other industry sectors in a questionnaire of beginning this year, but will also require business oriented structures and staffing at Commission Delegations. One can question the exclusion of least developed countries from the proposed approach. In ECSA's experience many of these LDC countries involve practical barriers to efficient maritime transport and resolving these has a direct positive effect for the countries external trade and economies.

### **EU Free Trade Agreements**

The Council adopted a mandate supporting the Commission's approach for Free Trade Agreements based on

economic considerations. While respecting the priority of the multilateral trade negotiations, Free Trade Agreements with South Korea, India and with countries of ASEAN should be taken forward rapidly to improve the external competitiveness and market access conditions of European industries on these important markets vis-a-vis global competitors. The Council observed that the conclusion of the Free Trade Agreement will be subject to the conclusion of Partnership- and Cooperation Agreements, thus creating a coherent economic and political framework for relations between the EU and ASEAN. Such PCA's are currently under negotiation with Singapore, Thailand and Indonesia.

A mandate has also been given for negotiations on Association Agreements with Central America(s) and the ANDEAN.

From an ECSA position it is observed that the existing EU-Korea cooperation agreement already offers adequate maritime article, while Korea's revised maritime offers in the WTO also offer a good basis for consolidating the liberal operating environment for shipping. In parallel, the bilateral maritime negotiations between the EU and India are still continuing – a third meeting is scheduled for July 2007 in Brussels. The possible interaction of these and FTA agreements is still to be clarified.

#### **EU-US Summit agrees new framework for economic relations**

The EU and US leaders meeting in Washington DC on Monday May 30 agreed a new framework for Transatlantic economic cooperation, which, it is hoped, will lead to the removal of regulatory barriers to transatlantic trade and investment. A Transatlantic Economic Council will be created, chaired by Commissioner Verheugen and Mr. Alan Hubbard, a cabinet -level economic adviser to the President for the US. The Council, comprising of members of the business community, consumer representatives and legislators, is to give new impetus to existing efforts towards regulatory cooperation.

#### **MARCO POLO II PROGRAMME – Publication of the First Call**

The European Commission published the first call for proposals for the creation of new freight transport services under the second Marco Polo programme.

Successful projects should fight congestion on European roads and improve the environmental performance of the freight transport system, two main objectives of the EU transport policy. Companies across the European Union and beyond are invited to submit proposals in this second Marco Polo programme.

All relevant documents in relation to this First Call are now available on the following website:

[http://ec.europa.eu/transport/marcopolo/guide\\_proposers/index\\_en.htm](http://ec.europa.eu/transport/marcopolo/guide_proposers/index_en.htm)

The deadline for submission of proposals is 22 June 2007.

#### **FRANCE AND SPAIN ISSUE JOINT CALL FOR PROPOSALS FOR MOTORWAYS OF THE SEA**

On 17 April, a joint French-Spanish call for tender for Motorways of the Sea (PoS) projects was published. The two countries have worked together to provide funding to maritime links between French and Spanish ports at the Atlantic side.

The objective of the initiative is to lower the circulation on the road network between Spain and France with 100 000 till 150 000 lorries annually, shifting them to maritime transport.

France has a budget of €41 million. Spain plans a budget of maximum of €15 million for each Motorways of the Sea project.

Interested parties have to submit their proposals by the end of September, selection will be made by the end of 2007 and first services should start operating in 2008.

The main features of the call for projects are:

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- Maritime MoS services should improve the existing connections or create new lines;
- MoS services should be reliable, regular, frequent and after a while be economically viable and by consequence provide a good price/quality ratio;
- Applicants should at least consist of one French port, one Spanish port and one maritime company, other transport operators are allowed to join;
- candidates should indicate in their project proposals which ports they will use, including - if applicable - cabotage sections and services of different Spanish ports;
- A selection of projects will be done on the basis of the volume of traffic shifted from road to sea, the quality of the project and the expected economic and financial results.

The French and Spanish governments have set up a joint commission to oversee the further process.

*May 2007*