



ECSA Newsletter

European Community Shipowners' Associations

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EUROPEAN MARITIME TRANSPORT STRATEGY 2009-2018

Initial exchange of views at the ECSA Board meeting.

The ECSA Board of Directors held its Spring Meeting in Brussels on 26 March and had an initial exchange of views on the Commission Communication on a European Maritime Transport strategy issued on 21 January 2009.

ECSA welcomes the Strategy Paper as a generally sound basis for a European shipping policy. It stresses the key role of European shipping services for global and European trade and for the daily life of its citizens. The process followed towards the Strategy Paper through a high level consultation of Member States and of senior maritime professionals resulted in a balanced strategy.

The Commission has acknowledged in the future strategy the de facto global character of European shipping and takes this into account on all fronts, particularly in respect of the global competitive position of European shipping, safety and environment and the need for high quality maritime know how.

It is recognised that European shipping is a world leader and that this position should be maintained and reinforced through the framework of the present state aid guidelines that should be maintained longer in term and improved where appropriate. Indeed, some aspects still have to be dealt with and others have to be clarified such as the application of the Guidelines to service ships and the reference to the genuine link.

Attracting young people to a maritime career to safeguard the highest level of maritime know-how in the European maritime cluster – being the most important one on a global basis – is clearly

a necessity. Promotion activities, education and training towards the highest quality should be further enhanced. ECSA is fully prepared to contribute to the work of the Task Force that will be established to deal with the important issue of European maritime know-how. Ratification and the application of the ILO Maritime Labour Convention (MLC) will create a global level playing field for seafarers. The agreement between the social partners on the MLC will contribute to this outcome. The industry wishes to reiterate that also labour market policies should be market based in order to bring about the desired effects and safeguard the competitive position of European shipowners.

With the approval of the full Maritime Safety Package III by the European Parliament on 11 March, a definite step has been set towards formal approval and application of an adequate regulatory maritime safety framework. This will result in a comprehensive package of European legislation on maritime safety based on the global approach of the IMO. The working of this UN body should be fully supported and the contribution of the expertise of EU Member States should be reinforced. Decisions weakening this aim should be avoided.

On the environment and particularly on ships' emissions, there is a clear message that the IMO should also deliver further improvements on carbon emissions following the far reaching decisions on sulphur in the context of MARPOL Annex VI in October 2008. However, as referred to in the Strategy Paper with regards to the application of sulphur limits in the ECAs, one should avoid that measures which at first sight are positive for the environment and society will not have the opposite effect to the one intended i.e. a modal shift from the sea to the land. The European policy of co-modality and the promotion of short sea services should not be endangered. Appropriate impact

assessments prior to taking decisions are essential.

The inherent environmental characteristics of shipping should also not be overlooked. Indeed, in the context of the mass effect and the distance involved as well as the ongoing modernisation of ships towards more energy efficiency, shipping is one of the best performers on emissions particularly on carbon. Targeted research should further improve this performance.

A global free market environment is a de facto requirement of shipping being a global industry. The Strategy Paper rightly refers to the longstanding commitment of the European Union to open and fair competition and also to quality shipping. Efforts to come to an agreement in WTO should be enhanced. The bilateral maritime agreement between the EU and China can be promoted as “best practice” with other trading nations.

Faced with the present financial and economic crisis, efforts should be enhanced to avoid protectionist measures since protectionism would even further delay a return to healthy economies.

The crisis makes it clear that shipping should go back to basic principles as a long term industry, and speculation should be avoided. Confidence and trust should be re-established. Order has to be created in the bank sector. Speculation resulting in the building of ships for which there is no economic necessity should be avoided. However, this should not result in refusing to finance projects in shipping that are genuine and valuable. Banks should be encouraged to finance valuable projects in shipping but also in trade. Indeed, financing of trade is the backbone of the world economy. There is also a need to remind the markets and the professionals of the necessity of restoring ethical behaviours in Shipping.

An important feature of the European fleet is the large number of private (often family) owned shipping companies. The shipping sector is characterized by an entrepreneurial spirit operating as a textbook example of free and fair

competition. This model, its particular characteristics and institutions e.g. the right to limit liability, mutual insurance (P&I Clubs), classification societies and the reliance on commercial bank financing requires continuous understanding and support of European legislators.

The process towards drafting of the Maritime Strategy Paper started prior to the economic and financial crisis and has not gone into the details of it. However, the principles laid down in the Paper are also valid in periods of crisis. Whereas some points of the Strategy Paper need further clarification to ensure consistency with the recognised basic principles of the international character and the need for keeping the competitiveness and world leadership of the EU shipping industry, ECSA offers the cooperation of the European shipping industry for the application of these principles in practice.

PIRACY

Fragile situation

At the meeting of 26 March the ECSA Board also noted that the actions taken against piracy of the Somali Coast/Gulf of Aden have substantially improved and commended EU-NAVFOR for its operations. However, as experienced the last weeks, the situation is very fragile. Therefore EU Member States should further commit themselves to contribute to the EU Aero Naval Force. Cooperation with the other naval forces in the area is also of key importance.

EU Shipowners operating in the area have also been reminded to register their movements on the EU-NAVFOR website allowing better coordination and action.

Taking into account that the piracy activities in the area are not a short term problem the ECSA Board strongly advocates that the relevant UN Resolution and the mandate of EU-NAVFOR should be extended beyond 31 December 2009.

COUNCIL OF TRANSPORT MINISTERS
30 MARCH 2009

On 30 March, the Council of EU Transport Ministers discussed in Brussels under the chairmanship of the Czech EU Presidency the following maritime issues:

Passenger rights

During a public deliberation, the Council took note of a Presidency progress report on the draft Regulation on the rights of passengers when travelling by sea and inland waterways. In addition, the Council held a policy debate focussing on the scope of this proposal on the basis of a Presidency questionnaire. The latest developments on passenger rights for maritime services in the Council and Parliament as well as recent ESCA/ECC initiatives are addressed below.

Council conclusions on a Maritime strategy 2009-2018 and on European Maritime Transport Space without barriers

The Council adopted Conclusions on the Commission Communication on a Maritime Strategy for 2009-2018. The Council welcomed the Commission Communication and supported the policy basics brought forward in it. Through the Council Conclusions the Transport Ministers invited the Commission, Member States and stakeholders to contribute to an efficient and sustainable European Transport sector by 2018 on the basis of the principles as laid down in the Communication. The international character of shipping should constantly be taken into account in this context.

The Council also adopted separate conclusions on the Commission Communication on a European Maritime Transport Space without barriers. Positive points therein are a reconfirmation of the role of short sea shipping and a reference to improving, where appropriate, the use of Pilot Exemption Certificates.

Marco Polo II Programme

The Czech EU Presidency briefed the Council on the state of play of the current discussions with the European Parliament on the Commission proposal on the second Marco Polo programme with the objective of reaching a first reading agreement.

PASSENGER RIGHTS – EP AND COUNCIL

As indicated above, there have been significant recent developments in both the Council and European Parliament in relation to the proposal on Passenger Rights put forward by the Commission in December.

As regards the Parliament, a vote on a draft Report on the proposal took place on 31st March, some 151 amendments being considered. While supporting the overall objectives of the proposal, the concern of both the ferry and cruise sectors has been to ensure that an eventual Regulation is both workable and reasonable, reflecting their particular characteristics. It was consequently encouraging that many of the amendments adopted took account of the diversity of the shipping sector and the need avoid a 'one size fits all' regulatory approach; such considerations have been particularly relevant in relation to accommodating the needs of disabled persons and persons with reduced mobility and the obligations on carriers in the event of interrupted travel. The Report is expected to be adopted by the EP Plenary in late April.

At its meeting on 30th March, the Council confirmed its commitment to strengthen passenger rights and addressed a number of elements in relation to the scope of application of the proposal. In particular, most delegations considered that all types of passenger services should be covered by the regulation and that it should not apply to ships operated mainly for the carriage of cargo.

The proposal will now be considered in detail as from the end of April at Council

Working Group level on the basis of a revised proposal from the acting Swedish Presidency. In this context, a joint ECC/ECSA working lunch was held on 7th April to discuss the proposal and the changes needed to make it workable for both the ferry and cruise sectors, while maintaining the overall objectives of the proposal. The meeting was constructive in that regard, with further cooperation between industry and regulators anticipated in the coming months.

TRANS-EUROPEAN TRANSPORT NETWORKS

Launch of the 2009 call for proposals

On 31 March, the European Commission launched the 2009 Call of proposals under the Trans-European Transport Networks (TEN-T). The 2009 Call makes nearly € 1 billion of financing available for European transport infrastructure projects.

The 2009 Call for Proposals has been established under three separate work programmes:

- €500 million of TEN-T funds have been brought forward under the **European Economic Recovery Plan**, as a response to the economic and financial crisis facing Europe. This *ad hoc* work programme, adopted this year, supports works which can start in 2009 or 2010 and be largely implemented over this two-year period.
- The **Multi-annual Work Programme** aims at financing the highest priorities of the TEN-T network. The 2009 Call focuses on three fields, notably:
 - Motorways of the Sea - maximum €30 million;
 - European Rail Traffic Management Systems (ERTMS) - maximum €240 million
 - Intelligent Transport Systems for Roads (ITS Roads) - maximum €100 million
- The flexible **Annual Work Programme** (€140 million) complements the efforts developed under the Multi-annual Work

Programme. It includes an amount of €60 million for the Loan Guarantee Instrument, which represents the Commission's annual contribution. It will be made available to the European Investment Bank (EIB).

Potential applicants are invited to **submit proposals by 15 May 2009**, which will be evaluated on their relevance to TEN-T priorities and policy objectives, their maturity, their impact - particularly on the environment and their quality in terms of completeness, clarity, soundness and coherence.

The Trans-European Transport Network Executive Agency (TEN-T EA), which manages the technical and financial implementation of the TEN-T programme, is responsible for the management of the calls for proposals and the evaluation of project proposals submitted on behalf of its "parent", DG Energy and Transport. The TEN-T EA is planning to host an **"Info Day" on 22 April 2009** in Brussels which will provide more information about the Calls and the evaluation process.

CONSORTIA

Publication of Council Regulation 246/2009 enabling the European Commission to adopt a Block Exemption Regulation on Consortia

On 25 March, Council Regulation 246/2009 of 26 February 2009 on the application of Article 81 (3) to consortia was published in the Official Journal (L-79). This Regulation repeals Regulation 479/92 and enables the European Commission to adopt a block exemption relating to consortia. It does not affect the current revision of the Consortia Block Exemption Regulation, which was launched last year. The new Regulation only modernises the rules on which basis a (revised) Consortia Block Exemption Regulation will be adopted and does not cover the substance of the revision exercise.

The European Commission is expected to issue soonest a new draft of a revised

Consortia Block Exemption Regulation following comments from stakeholders in the context of the public consultation on a preliminary draft proposal last year. The new draft is then likely to be sent to Member States for discussion in the Advisory Committee with Member States soonest.

INTERNALISATION OF EXTERNAL COSTS

The European Parliament adopts an own-initiative report

The European Parliament prepared, through Rapporteur Jarzembowski (German, EPP-ED), an own-initiative report on the Communication, which was discussed and voted on in the European Parliament's Transport Committee and then in the European Parliament's Plenary.

This Communication aims at contributing to the EU's climate and energy goals and consists of a number of Communications, which aim at promoting sustainable transport and at ensuring that the real costs of transport are reflected in their effective price.

The European Parliament's report points out that the European Commission has not – by its own admission – devised and put forward a generally applicable, transparent, and comprehensible model for the assessment of external costs as a whole. It has not analysed the impact on every mode of transport and, in practical terms, has so far put forward legislation only for heavy goods road vehicles. The European Parliament therefore urges the Commission to take steps without delay, firstly to produce specific proposals for all modes of transport; secondly to submit a comprehensive plan for calculating and charging external costs and assessing

their impact on the basis of a comprehensible model.

The European Parliament's report was adopted by 452 votes in favour: 108 against and 134 abstentions.

BETTER REGULATION

Reducing bureaucracy in the transport sector

On 4 March 2009, the High Level Group of Independent Stakeholders on Administrative burdens, chaired by Mr. Edmund Stoiber (the so-called Stoiber-Group), unanimously adopted a report on reducing bureaucracy in the transport sector. This report should be seen in the context of the Commission's wider (horizontal) exercise to reduce bureaucracy and cut red-tap, which was launched by Commissioner Verheugen in 2005.

The Stoiber report is, *inter alia*, based on contributions received from stakeholders in the context of a public consultation. ECSA has actively contributed to this exercise, thereby concentrating on the need to simplify administrative/customs procedures for shipping services in the context of the European Maritime Transport Space without barriers.

As regards maritime transport, the Stoiber report clearly states that "*the High Level Group points at the importance of the problems linked with the revision of the implementing of the Customs Code (Regulation (EEC) No 2454/93 and asks the Commission to involve all relevant transport stakeholders extensively in this process to ensure that solutions found meet their expectations*".

The Stoiber Group has the intention to continue its activities in the future.