Short Sea Shipping

Introduction

Short sea shipping is an obvious choice to play a key role in reaching the objectives of the recent Commission White Paper on European Transport Policy for 2010. It can help curb the 50 % increase in heavy goods vehicle traffic forecasted in that Paper, it can rebalance the modal split, bypass land bottlenecks, and it is safe and sustainable.

For a long time, we have been talking about the potential of Short Sea Shipping without realising that it is much more than just a potential. In fact it is a highly successful mode. For instance, it was the only mode of transport in the 1990's that was able to keep pace with the growth of road transport. And in the latter part of the decade it actually grew faster than road.

Nevertheless, Short Sea Shipping suffers from a number of problems that need to be identified and solved whenever possible. The Commission has already identified some of these problems under <u>the bottleneck exercise</u> that was carried out in 2000. Now all the parties need to work together to find solutions to them.

Simplification and rationalisation of procedures

The recent <u>IMO-FAL</u> (Facilitation) <u>Directive</u> will help simplify Short Sea Shipping. It introduces five standard forms that will replace the very substantial variety of different forms that ships have to submit each time they call at EU ports. Thanks to the excellent co-operation between the Commission, Council and European Parliament, this Directive was adopted almost at record speed.

The Commission is currently in the process of addressing a further administrative matter: <u>customs procedures</u>. People's

immediate reaction is that customs matters are too complicated and decrease the attractiveness of Short Sea Shipping.

A couple of examples can be mentioned:

- In some ports unloading of the ship can start only after all documentary formalities have been completed. This can take up to half a day. Modern just-in-time logistics cannot sustain such delays.
- In some Member States certain customs documents have to be given in original to a customs office which might be far from the quay or even in a neighbouring port 100 km away. Electronic or other forms of modern communication cannot be used for this purpose.

Of course the Community customs system cannot be overthrown because of the particularities of Short Sea Shipping. Instead, any concrete problems need to be identified in order to work towards solving them. The Commission has recently published a <u>Guide</u> to <u>Customs Procedures in Short Sea Shipping</u>. This guide is intended to present the different customs procedures in a factual way. But more importantly, it should open a targeted discussion towards finding concrete procedures where further simplification might be possible.

Promoting Short Sea Shipping services in ports

Ports play an indispensable role in Short Sea Shipping. What we need are efficient and short-sea friendly ports with open access and fair and transparent procedures. <u>The Commission proposal</u> <u>on access to the port services market</u> will contribute to this. The Transport Council reached a political agreement on a Common Position concerning this proposal in June 2002.

One further area that could be developed is <u>dedicated port</u> <u>services</u> for Short Sea Shipping. Obviously, the situations in ports differ considerably, but ports should consider within their commercial strategies, whether dedicated short-sea terminals or other specialised services might boost port business and create win-win situations.

Furthermore, an idea that could be promoted is to have <u>one-stop</u> <u>administrative shops or helpdesks in ports</u>.

<u>Port-hinterland connections</u> are also vital when talking about port efficiency. The EU Member States can foster these connections and their quality in their national infrastructure plans, and the Commission is paying special attention to them. This will become even more obvious in the forthcoming revision of the Guidelines for the Trans-European Transport Networks.

Interconnection and interoperability of sea and land networks

The term 'Motorway' refers to easy access, relatively high average speed, bypassing congested urban areas, reliability and high level of safety. This must also be the case with the <u>Motorways of the Sea</u>, one of the proposals in the White Paper, for them to attract commercial operators.

These Motorways should make it possible to bypass land bottlenecks in Europe as part of comprehensive door-to-door logistics chains. These bottlenecks may be geographical, such as the Alps and Pyrenees, or areas where there is recurrent road congestion or they may be border areas between EU and non-EU countries.

The Sea Motorways should offer efficient, regular and frequent services that can compete with road. Ports connected to the Motorways should have efficient hinterland connections and a high level of short-sea service.

The Commission is currently working on the details of the concept to present it in the next revision of the Trans-European Transport Network Guidelines.

The Trans-European Transport Networks - for infrastructure - and Marco Polo Programme - for operational aspects - should be able to assist these Motorways.

As to interoperability between modes of transport, one area that the Commission is currently examining is <u>loading units</u>. It intends to present a concept that involves harmonising and standardising these units. The aim is to eliminate friction costs and delays in handling operations between modes and combine the strengths of containers and swap bodies.

Furthermore, the Directive setting-up a Community vessel traffic monitoring and information system will increase <u>electronic data exchange</u> between ships' operators, ports and administrations. The Commission has already launched, through the SafeSeaNet project, preliminary studies for the setting-up of a European telematic platform between national maritime administrations for the implementation of maritime safety Directives.

Public sector measures and Marco Polo

Public measures should be avoided in so far as they distort competition. This is particularly true in markets where established short-sea lines already operate.

Nevertheless, the intention to increase the use of Short Sea Shipping is not contrary to this principle. The new Community support programme <u>Marco Polo</u> will show this. It should become operational as from 2003 to give incentives to starting up new intermodal operations. The principle of avoiding distortions of competition is central in this programme.

Further initiatives at European, national and regional levels are certainly welcome. However, the central role of private operators in Short Sea Shipping should not be forgotten. What the administrations can do is to create the necessary preconditions to attract those private operators. And this is to be done within the existing legal frameworks. One such framework is <u>State aid</u>. In the revision of the maritime State aid guidelines, the Commission intends to pay particular attention to the needs of Short Sea Shipping.

A further Community initiative mentioned in the White Paper is <u>infrastructure charging</u>. Because Short Sea Shipping is environmentally less damaging than other modes, it is safe and the sea offers an open infrastructure, it could be expected to gain from such an initiative covering all modes.

Involving all the actors of the intermodal chain and taking advantage of existing European fora

To fully use Short Sea Shipping, it needs to be comprehensively integrated into logistics chains and offer door-to-door operations. Such chains should be managed and commercialised by logistics one-stop shops. These shops should offer customers a single contact point that takes responsibility for the whole intermodal chain. Further, the notion of competition between modes should be replaced by complementarity because co-operation between modes is vital in chains involving more than one mode. This requires efforts from all parties but it is a win-win situation.

There are several well-functioning co-operation platforms for Short Sea Shipping at international and European levels. For instance, the <u>United Nations and other international</u> <u>organisations</u> discuss issues that are in the Community interest. Consequently, Community presence and efforts should be coordinated in them.

At European level the <u>Group of Short Sea Shipping Focal Points</u> is an indispensable forum for co-operation. These Focal Points are representatives of national maritime administrations who have been assigned the specific task of promoting Short Sea Shipping. They follow developments, work on solving bottlenecks and oversee actions at European and national levels. Further, <u>national Short Sea Promotion Centres</u> exist in almost all maritime Member States and Norway and Poland. These Centres are driven by the industry and they offer a practical tool to promote Short Sea Shipping at national level. They have already realised that using Short Sea Shipping is a win-win situation to all modes and Europe as a whole. The Centres can approach companies and offer impartial advice on the benefits of Short Sea Shipping. The Commission strongly supports their establishment and operation. For practical advice to cover both ends of an international journey, the Centres have established a network between themselves - <u>European Short Sea Network</u>.

In addition to these fora, we have several <u>regional initiatives</u> in the north and south that address Short Sea Shipping. They are important because they can complement the European discussions by introducing regional perspectives to the Focal Points' work and promoting concrete solutions to local problems.

In conclusion

The Commission is determined to make Short Sea Shipping even more successful than it is today. A lot has already been done to improve the preconditions for Short Sea Shipping but a lot remains to be done.

Beyond the short-term measures mentioned above, new technologies can help us promote Short Sea Shipping in the medium to long term. A new generation of faster ships that can better accommodate the new loading units and new technologies in ports will help boost the short-sea business. And Europe will need well-trained personnel onboard ships, in ports and logistics companies. Therefore, the promotion of Short Sea Shipping can also offer benefits to other parts of the maritime industries, such as shipbuilding and making seafaring more attractive as a profession.