



EU port safety and security versus EU transport policy: Challenges and opportunities

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Purpose of talk

- Take a look at the broad spectrum of legislation affecting EU ports
 - as regards the general transport policy thrust
 - as regards safety, security and environmental protection
- Try to identify challenges and opportunities
- Make recommendations on how to improve the current situation

At first glance..

- News is encouraging
- EC White Paper
“European transport policy to 2010: time to decide”
- De Palacio: shortsea shipping (SSS): important priority
- EC Communication on SSS

Shifting cargo from land to sea

- Road transport external costs:
 - Congestion
 - Pollution
 - Noise
 - Accidents
 - Etc
- 0,5% of EC GDP
- Rise to 1% by 2010
- 80 billion euros a year if no action is taken
- **>>>EU PORTS
NEED TO OPERATE
EFFICIENTLY**

Transport policy developments

Motorways of the sea

- Motorway of the Baltic Sea
- Motorway of the Sea of Western Europe
- Motorway of the Sea of South-West Europe
- Motorway of the Sea of South-East Europe



Transport policy developments cont'd

- “Marco Polo” program launched in 2003
- Successor to “PACT”
- Goal: shift 12 billion ton-kilometers a year from road to non-road modes

Conclusion?

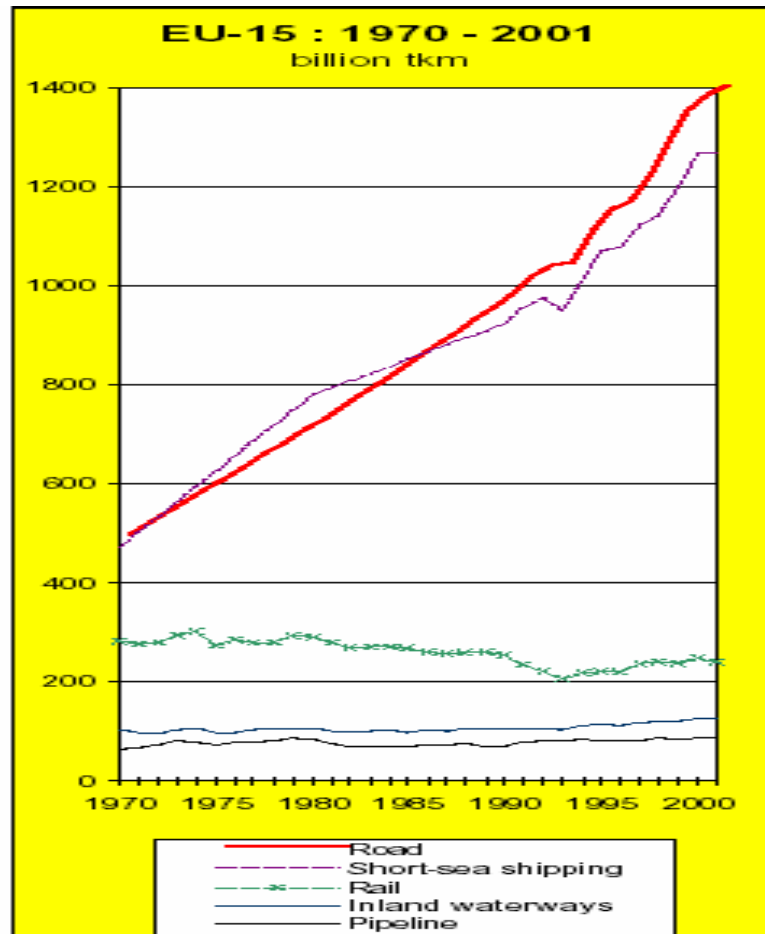
- In view of all of the above,
- In view that Europe is far better than North America as regards SSS,
- -----> **things are going very well for the European ports sector**

Q: is this really the case?

Answer:

- we still have a long way to go
- things can be rather unsettling

Evolution of goods traffic by mode, 1970-2001



Not so good news..

- Even though SSS grew considerably between 1990 and 2001 (31%),
- Road transport grew even faster (38%)

More not so good news..

- in 1985 road surpassed shortsea shipping as the top transporter in intra-EU trades in ton-km,
- a position that it held at least until 2001 and will continue to hold it if no serious action is taken
- Trend 2000-2001 disturbing (+ for road, - for SSS)

And more..

- Marco Polo gets much lower funding than expected (100 million euros for 2003-2006)
- 1st call (Dec. 2003): 15 million euros
- 13 projects retained
- 2nd call (Dec. 2004): 20,3 million euros
- Compare with 80 **billion** euros of annual external costs

EILU+port package

- EILU Directive: lack of enthusiasm from industry
- Port package: defeated in EP (November 2003)
- Big setback for EU port industry

Port package cont'd

Compromise text that was put to vote

- had little relation to the original text proposed by the Commission
- tried to 'satisfice' almost everybody
- united against it hererogeneous forces (eg, dockers and private ports)

Port package cont'd

Many felt that

- it forced a 'one-size-fits-all' model onto a widely diversified industry
- inadequate consultation with trade unions and the industry was a major problem

Port package No. 2

- Swan son of Mrs de Palacio?
- Revenge of Mrs de Palacio?
- Submitted last week
- ESPO and others urged not to rush through it

'Mainline' aspects of EU transport policy

(those that deal directly with ports, intermodality,
and shortsea shipping)

- **situation is certainly not as rosy as one may be led to believe at first glance**
- How about other aspects???

Safety, environmental protection and security

- **OUTSIDE OUR SCOPE:** port-state control policies and procedures (inspections, detentions, etc), on *ship* compliance to relevant safety laws and regulations
- **WITHIN OUR SCOPE:** a number of related directives are directly or indirectly applicable to *port* operations, planning and development

Environmental directives applicable to ports include

- The Health and Safety in the Workplace Directive,
- The Waste Reception Facilities Directive,
- The Wild Birds Directive,
- The Habitats Directive,
- The Bathing Water Directive,
- The Dangerous Substances Directive,
- The Urban Waste Water Treatment Directive,
- The Shellfish Directive,
- The Water Framework Directive,
- The Environmental Impact Assessment Directive,
- The Strategic Environmental Assessment Directive, and
- The Environmental Liability Directive.

More..

- After *Prestige*: Commission proposes a Directive to introduce criminal sanctions for ship-source pollution offences
- Parliament added the competent port authority
- Seems that, in addition to financial liability, we may see *criminal* liability imposed on port authorities

Impressive framework..

- ...BUT one may wonder if all these regulations together would place a rather heavy burden on a port, just to comply with all of them
- Example: scrap plans to build a huge container terminal at Dibden Bay in the UK on environmental grounds (public inquiry lasted a year and had 15.000 pages of documentation)

Port security

- IMO's ISPS Code (1/7/2004)
- Progress impressive in EU ports

Port security cont'd

- EU Regulation on ship and port security, (transposes the ISPS code into EU law)
- EU *Directive* on **port** security
- plan for a future EU Directive on *intermodal security*

More port security

- EU-US agreements (bilateral and global)
- Container Security Initiative
- “International Port Security Program” of the US Coast Guard

Some questions

- How much all of these measures would really enhance EU port security?
- Is there an estimate of the total cost of these measures?
- Is there an estimate of the impact these measures might have on trade and on the goal to shift cargoes from land to sea?
- Will ports be able to operate at all under these measures?

Where do we go from here?

- Real risk: each development outlined before may pull things into a separate direction
- With the rejection of the port package, European ports are left with a void as to what the institutional and operating environment of their sector will be in the future

Where do we go from here cont'd

My opinion:

- **Maritime security** seems to be the locomotive pulling the overall European maritime transport policy train, and that includes ports.
- Locomotive is designed and driven by good old Uncle Sam.
- Security aside, things like intermodal efficiency, shifting cargo from land to sea, and opening port services to competition, seem to follow behind.

Is there hope?

YES

- Setbacks such as the rejection of the port package can produce lessons that will be useful for the future
- This will require politicians and legislators to thoroughly reassess their current 'patchwork' modus operandi and adopt a more 'proactive' policy philosophy
- A policy should be developed by carefully assessing *all* of its implications *before* its adoption, and by listening to the industry stakeholders more than is done today

Hope cont'd

- If the next version of the port package is introduced in a similar fashion, it will have the same fate
- If over-regulated ports are handed a maze of additional requirements, SSS effectiveness will be affected
- That will help road transport increase its share in intra-community transport even further

Q: Should our policy makers reformat their disk?



A: not necessarily!

- Situation might be improved if EU port policy makers have access to a set of tools and a pool of experts that can assist them in the analysis of policy alternatives and the formulation of proactive policies.
- The pool of experts must be drawn primarily from the port industry, but it should also be assisted by scientific expertise that has the tools for the analysis and assessment of complex policy scenarios, including how distinct policies may interact or even conflict with one another
- The vast array of maritime and intermodal R&D projects sponsored by the Commission may provide an interesting opportunity in that regard

Challenging times

- The industry is at a critical point, to move ahead proactively and meet these challenges, instead of retracting to inertia, complacency and fragmented action
- This will not happen automatically, and it will definitely require the full energy and cooperation of all stakeholders involved



Thank you very much!

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