

WELCOMING REMARKS
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Joint Short Sea Shipping and Motorways of the Sea
Focal Points and Short Sea Promotion Centres Meeting
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Good morning ladies and gentlemen,

It is my pleasure to welcome you to the Joint Short Sea Shipping and Motorways of the Sea Focal Points and Shortsea Promotion Centers Meeting of 2011. This year we are pleased to welcome special guests from the United States. We are happy that they responded to our invitation.

Memorandum of Cooperation for the SSS promotion and facilitation

On both sides of the Atlantic, the consensus is that Short Sea Shipping (SSS) offers a sustainable solution for the capacity and mobility problems of our freight transportation systems and can contribute to the reduction of air emissions.

We have agreed that it is in our mutual interest to further enhance the shortsea operations in order that they will play a larger role in both continents' transport systems. For these reasons, on the 1st of July 2011, the Maritime Administration of the United States of America and the Directorate General of Mobility and Transport of the European Commission signed a Memorandum of Cooperation for the Short Sea Shipping promotion and facilitation.

The Memorandum provides a framework for structured dialogue between US MARAD and MOVE in the domain of Short Sea Shipping. It will allow us to

pool ideas, efforts, and share similar experiences in order to identify solutions to some of the challenges we face..We are confident that Short Sea Shipping development could greatly benefit from sharing our knowledge and best practices in this domain.

SHORT SEA SHIPPING

White Paper

Let's have a look at our policy priorities:

The White paper for Transport looks at a competitive Transport System for Europe, which delivers smart, sustainable, and efficient mobility and transport for people and cargo: less congestion, fewer emissions, more employment and growth, more revenues, reliability and quality services, security and safety, and critically, a European transport system that is less dependant on oil.

For shipping this means, we need to cut unnecessary burdens to freight movement and cut emissions by 40%. We also need to achieve a 50 % shift in middle distance journeys (beyond 300 kms) from road to rail and waterborne transport.

Furthermore, we need to achieve a fully integrated Single European Transport area, which will ensure that transport delivers the necessary services to business and citizens across the continent. In line with these goals for a competitive and resource efficient EU transport system the European Commission proposes to further enhance the competitiveness of Short Sea Shipping (SSS) in a sustainable manner and make it more attractive for the end users.

How? We propose seven areas of work, as follows:

A Blue Belt to complete the EU internal market for Short Sea Shipping (SSS)

First, we need to complete the internal market for Short Sea Shipping by further simplifying the administrative procedures. The use of new technology capabilities facilitates the rapid transit of goods in the EU internal market by seamless monitoring of the respective vessels.

The “Blue Belt” pilot project aims at demonstrating that the technology to check vessels position can provide the necessary guarantees to customs authorities so that ships in intra-EU trade can be treated as staying within the internal market area during their whole journey.

Further integration of SSS into the transport network/logistics chain

Second, we need to explore options that could facilitate further integration of SSS into the co-modal transport network and logistics chains. Up to now, SSS has aroused interest at policy level mainly as an alternative to road transport, the predominant mode in Europe. Yet, is SSS only an alternative to road transport? Short Sea Shipping has a vastly underused potential as a component of the EU transport network and logistics chain.

In the revision of the TEN-T policy where the maritime dimension of the network is included, we propose departing from the modal priority projects' approach towards a network approach: based on a core network to create extended corridors including links and nodes with multi-modal projects of EU added value. This is a step change, which I hope would enable the SSS community to better make use of the TEN-T facility.

ICT Systems

Third, we need more competitive and customer friendly SSS. This depends on the **quality, efficiency and reliability of services**, interoperable **ICT systems**

(e.g. e-Freight, e-Maritime, ITS, SSN and RIS) facilitating **efficient use of intermodal transport infrastructure**.

ICT will further improve the communication between ships and ports and therefore cargo handling, also in a multimodal perspective; it will facilitate coordination between all actors involved and lead to more efficient work processes and benefits for businesses and administrations.

We are currently working on the implementation of the reporting formalities Directive and further facilitations will be part of the future "**e-Maritime initiative**." The next steps include the wider use of electronic data exchange and improvement of the single windows.

Furthermore, "**e-Freight**" will create the appropriate framework to allow tracing goods in real time. It will also work towards a standard framework for freight information exchange covering all transport modes and all stakeholders.

A **single transport document** for all carriage of goods, irrespective of mode, should be developed along with the necessary legislative support. A further issue is to establish secure and efficient transport corridors between Europe and other important trade partners.

Port Services

Fourth, we need to avoid ports becoming bottlenecks of the transport network.

Vice-President Siim Kallas has announced its intention to re-open the discussion on the European ports policy. He is committed to turn into reality the strategic objective of the White Paper of having a performing EU port system in all maritime façades of the Union. The Commission has launched reflections with

stakeholders and, ultimately, with the European Parliament and Council, about the necessity to have in the European port sector some common rules about:

- 1) Provision of services
- 2) Governance and financial transparency models
- 3) Training, requirements for core workers, employment, and social issues
- 4) Ports' development planning.

Those issues are also important for the implementation of the Trans-European Transport networks, of which sea-ports are key entry and exit points.

Infrastructure and funding

Fifth, we need to increase interoperability between all transport interfaces: seaports, inland ports, and inland terminal. Thus, adequate funding for transport in times of scarce resources needs to be more focussed and better spent. We are proposing through the trans-European network for transport a dual layer approach by creating both a core network and a comprehensive network for passengers and freight in the EU. The Connecting Europe Facility will provide a financial instrument for coordinated support measures financed by TEN-T, cohesion, and structural funds.

Innovation

Sixth, we need to further improve the competitiveness of SSS by investing in technology. There are new technologies available or becoming available soon to drastically reduce energy use and ship emissions. One of the big issues is the need to accelerate market uptake of these technologies and earlier implementation of new rules and regulations.

We are currently also working on a Strategic Transport Technology Plan (STTP) which will identify and define transport research and technological development and innovation priorities in all transport modes as well as cross-modal issues.

SSS and Environment

Seventh, SSS needs to improve its environmental performance and reduce its emissions. This will lead to improved air quality and health for our citizens.

Based on new standards adopted by the International Maritime Organization (IMO) in 2008, the Commission presented in July a proposal to align the EU Directive on the reduction of sulphur content of certain liquid fuels with the revised IMO MARPOL Annex VI requirements.

The Commission is mindful that compliance with a maximum fuel sulphur content of 0.1 % in Sulphur Emission Control Areas may entail an increase in the price of the marine fuels, at least in the short term, and that this may have an impact on some shipping routes and consequently on the relative competitiveness of the shipping industry. Compliance will present some technical and operational challenges, however the benefits associated with its introduction are significant in terms of public health.

Environment and competitiveness are both to be considered as equally important issues. The Commission published a Staff Working Paper: *Pollutant emission reduction from maritime transport and the sustainable waterborne transport toolbox*, which presents a set of accompanying measures facilitating alternative compliance strategies and the long-term sustainable development of this industry. From a short to longer term perspective, these measures focus on:

- Ø use of current EU financial instruments (Marco Polo, TEN-T) to promote and support deployment of green infrastructure (e.g. for LNG) and technologies (e.g. for scrubbing technology);
- Ø clarifying condition for use of state funds to support early adaptation to the new standards;
- Ø clarifying the regulatory framework for use of new abatement technologies.

Regarding the medium and longer-term measures, the Commission is developing a "Sustainable Waterborne Transport Toolbox" that will address, from a broader perspective, and in an integrated manner the environmental challenges the sector is confronted with. The Sustainable Waterborne Transport Toolbox will explore measures such as:

- Regulatory measures for the safe & secure implementation and use of clean technology and alternative fuels
- Development of green infrastructure and superstructure
- Explore possible economic and funding instruments, Public Private Partnerships (PPPs)
- Research and innovation.

International Shipping and Climate Change – GHG

Last but not least, SSS would need to contribute to the general effort of reducing CO₂ emissions from transport.

Our White Paper on Transport has set an ambitious goal to reduce EU CO₂ emissions from marine bunkers by 40% by 2050. This is an extremely ambitious target, which will require a series of measures to reach it. We need to work together – regulators, shipping industry, ports - to move to low-carbon shipping in a smart way, which preserves the competitiveness of this mode of transport and of our economy at large.

Maintaining competitiveness requires that, in a sector as international as shipping, issues are addressed through global solutions. And in order to defend a fair and high quality global level playing field, the EU and its Member States are already in close cooperation with international partners.

The IMO has delivered this year what no other sector in transport has managed on a global scale – a global measure to reduce CO2 emissions from new ships. The adoption of the Energy Efficiency Design Index has proven that a majority of countries – including developing ones – are ready to assume their responsibilities in reducing emissions from maritime transport. The Commission agrees that more needs to be done, but at least we have had a start.

As you know, we are currently analysing how to respond to the commitment we have taken – to include maritime emissions in Europe's climate commitment if no international agreement is reached. All options are still open. As, we would not want to disadvantage our (shipping) industry, we will work to develop flag-neutral options. While we do that, we do not lose sight of the need to find a global solution and will continue to work with our international partners to find the best way forward.

Conclusion

Ladies and Gentlemen,

Let me conclude by saying that further and enhanced promotion of SSS requires joint efforts from all interested parties. In this context, the involvement of **SSS and MoS Focal Points**, and of the the **Short Sea Promotion Centres (SPCs)** is of paramount importance. It is in this spirit that I wish you a successful meeting, stimulating contacts and discussions, and for our guests from the United States an interesting and fruitful meeting.

Thank you.