



# ECSCA Newsletter

## European Community Shipowners' Associations

• N° 4/07

### **PHILIPPE LOUIS-DREYFUS** *New ECSCA President*

At the General Assembly held in Lisbon on 15 June, Mr Philippe Louis-Dreyfus has been appointed President of ECSCA for a period of two years, succeeding Lennart Simonsson.

Philippe Louis-Dreyfus has a masters' degree in economics and is the President of Louis Dreyfus Amateurs and Managing Director of Louis Dreyfus S.A.S. He has different other mandates, notably member of the supervisory board of Bureau Veritas, director of the uk P&I Club, vice president of Armateurs de France, director of the French Foreign Trade Council and director of the French Business Confederation.

The General Assembly also appointed Mr Marnix van Overklift, Chairman of the Seatrade Group of companies, as Vice President/President elect of ECSCA for a period of two years.



*From right to left: Mr. Philippe Louis-Dreyfus, Mr. Lennart Simonsson, Mr. Marnix Van Overklift.*

### **ECSCA BOARD MEETS WITH EMSA**



*ECSCA Board of Directors in EMSA offices*

The ECSCA Board of Directors had a useful exchange of views with EMSA in their offices in Lisbon on 15 June. Executive Director Willem de Ruiter and his Heads of Unit elaborated on the different activities of the European Maritime Safety Agency and the work programme of 2007.

An impressive presentation was given on the working of the satellite oil spill monitoring services and its further development and integration in the SafeSeaNet system.

The ECSCA Board appreciated the clear and open explanation on the 2007 work programme of EMSA. The technical expertise available in EMSA is a useful and necessary tool for supporting the EU policy on safety and environment as well as for monitoring of the application of existing legislation. Ongoing contacts between the industry and EMSA are key; ECSCA will enhance them in the future.

### **EUROPEAN PORTS POLICY**

The new European Policy was discussed at a Conference organised by ESPO in Algeciras on the occasion of their annual meeting. The Conference was attended by some 280 participants of Stakeholders and of the European Institutions.

Following introductory speeches, stakeholders' views were invited on three themes notably:

- Sustainable development of seaports and hinterland connections.
- Strengthening the performance of seaports as intermodal points.
- Ensuring transparency and fair competition in and between ports.

Stakeholders reiterated the views expressed during the six workshops. The accent was on the necessity of investments/expansion of ports and hinterland connections. The vast majority of stakeholders also felt that a soft law approach would be the best option at this stage.

The concluding speech of Vice President Jacques Barrot received the most attention.



Jacques Barrot stressed the importance of investments in ports and hinterland connections.

As a follow up to the six Workshops held since the ESPO Conference in Stockholm in June 2006 he advised that the Commission would develop a toolbox with suggestions for a future port policy with as key points:

- Sustainable development of ports: environmental guidelines for the application of environmental legislation to port development.
- E-maritime: SafeSeaNet to be better known, E-Customs.
- Simplification throughout the logistic chain: A working paper on Motorways of the Sea including a Common European Space for maritime transport (customs and documentation).
- A level playing field with clarity for investors, operators and users: State Aid Guidelines, the extension of the Transparency Directive, and an explanatory document on the application

of the Treaty on cargo handling and technical-nautical services.

The Transport Commissioner also stressed the importance of a social dialogue and the necessity of promoting the image/perception of ports. A Communication on a future ports' policy will be issued in October as a part of a new policy approach on logistics.

### **TRANSPORT COUNCIL 7- 8 JUNE 2007**

The Ministers of Transport of the EU-27 met in Luxembourg on 7-8 June 2007. They agreed on the following maritime transport related issues:

#### ***Maritime Safety Package III***

A political agreement was reached on three out of the seven proposals of the Third Maritime Safety Package notably: on a proposal for a directive amending Directive 2002/59/EC1 establishing a Community vessel traffic monitoring and information system, on a proposal for a directive on Port State Control and on a proposal for a directive establishing fundamental principles governing the investigation of accidents in the maritime transport sector.

On the Community vessel traffic monitoring and information system Directive, the Council proposed to establish specific measures to enhance maritime safety in case of ice conditions, to establish the rules for the acceptance or refusal of ships in need of assistance in places of refuge and to enhance ship monitoring through the SafeSeaNet information exchange system.

On Port State Control, the Council agreed with the establishment of a new inspection regime to ensure better and targeted inspections by Member States, particularly with regard to substandard vessels, whilst alleviating checks of quality vessels. Substandard ships will be, amongst others, evaluated in relation to the flag State and access to such ships in Member States' ports may be indefinitely refused.

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On accident investigation, the Council accepted mandatory investigations only in case of very serious casualties and incidents. The investigative body will decide whether or not a safety investigation of other marine casualty or incidents will be undertaken, taking account in particular of the seriousness of the casualty or incident and the possible lessons to be learned.

Following formal adoption of its common positions the Council will forward them to the European Parliament for a second reading in the framework of the co decision procedure.

The Council also took note of a progress report on a proposal for a regulation on the liability of carriers of passengers by sea and inland waterways in the event of accidents. The German Presidency took stock of discussions in Council's bodies so far and identified the main outstanding issues that will need to be addressed in the coming months.

### ***European Long Range Identification and Tracking***

The Council held a policy debate on the establishment of a regional European Long Range Identification and Tracking (LRIT) data centre. Broad support was expressed for the establishment in principle of a regional EU LRIT data centre. It requested the Commission to provide further detailed information on technical, legal and financing issues, in order to take a firm EU position prior to the meeting of the IMO Maritime Safety Committee in October 2007.

### ***European Energy Strategy for Transport***

Council Conclusions were adopted on a European energy strategy for transport. The shipping related part advocates the need for a holistic approach and welcomes the fact the IMO is addressing the issue of air pollution to achieve global solutions which deems preferable. Council Conclusions were also adopted on the inclusion of aviation in the European emissions trading scheme for the position

to be taken by EU Member States at the ICAO Assembly in September 2007.

### ***Others***

The Council unanimously reached a general approach on a proposal for a regulation repealing Council Regulation (EEC) No 954/79 concerning the ratification by Member States of, or their accession to, the United Nations Convention on a Code of Conduct for Liner Conferences.

Under AOB the Commission informed the Council on the state of play of ratification of international maritime conventions by Member States. Several delegations provided additional information on the latest position of ratification.

The Council finally adopted a decision authorising Member States to ratify, in the interest of the European Community, the 2006 Maritime Labour Convention of the International Labour Organisation (ILO). The decision lays down the end of 2010 as a possible deadline for ratification by the Member States.

## **ENVIRONMENT/EMISSIONS**

### ***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.

In the Council Conclusions adopted at the June 7/8 Transport Council meeting Member States are looking to the discussions in IMO on the revision of MARPOL ANNEXVI to come forward with

measures to reduce air emissions by early next year. In particular, Member States, while wishing to see ambitious emission limits set which go beyond the current requirements, advocate a holistic approach whereby all the possible options and their consequences, including possible side effects of emission reduction measures, are taken into account.

The Commission is also looking to IMO to come forward with significant measures by the April 2008 MEPC 57 following the work of IMO's Government/industry expert group set up to look at all the options. This was made clear by the Commission at a meeting of ECSA's Air Emissions Group and in subsequent contacts with Commission officials, including the DGENV Director General on 30/5.

While not in any way certain, it would appear that in the short term at least, a reduction of the sulphur limit in the SECAs from the current 1.5% to something around 1%, together with the possible creation of additional SECAs, may meet their ambitions. It should be noted in this context that the 2005 Sulphur Directive is due to be reviewed in 2008 and it is consequently crucial that significant measures emerge from IMO in April if regional measures in relation to both NOx as well as sulphur, are to be avoided. As in the past, the European Parliament is likely to press for action going beyond IMO, with a 0.5% sulphur limit in SECAs among other far reaching measures being proposed.

### **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 2% of global greenhouse gas emissions, it is recognized 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 and the Member States are looking to IMO to take initiatives and there will be extensive discussions at MEPC56 in July. The Commission wishes to actively contribute to the debate in IMO although is sceptical on the chances of concrete international action resulting. They will be following their earlier work on the issue by undertaking a further study at the end of this year to examine in detail the practicality of the options of emission trading, the mandatory differentiation of harbour dues and the CO2 IMO Index.

The Commission also envisages holding a Hearing in early 2008 with stakeholders to consider the different options and have indicated that they wish to cooperate with the shipping industry on finding a pragmatic approach to CO2 reductions. Again, it has been stressed that if significant action is not taken in IMO, the Commission will take its own path. It has been indicated that bringing shipping into the European carbon Emission Trading scheme (as for aviation) is the most likely way forward.

### **SHIP RECYCLING**

On 23<sup>rd</sup> May the Commission issued a Green paper on Ship Recycling as part of the development of an EU strategy for ship recycling; this involves support for the envisaged international Convention while examining the options for EU action pending the adoption and entry into force of the Convention.

A number of options are proposed. These include.

- A more coordinated Community position and influential role for the Commission in the IMO process, with the Community being a party to the Convention.
- Increasing the ship dismantling capacity in the EU with the focus on state owned ships, with possible state aid/EU subsidies in that context.

- More cooperation and information exchange between EU authorities and increased checks at ports.
- Provision of technical assistance to ship dismantling facilities, with the negotiation of political and economic agreements with such countries.
- Voluntary commitments by shipowners and associations are regarded as the quickest means to achieve results. It is stated that where such commitments are not followed up in practice, legislation may be necessary.
- A possible ship dismantling fund, paid for by shipowners, preferably mandatory and probably operated via IMO.
- Possible additional legislation for the dismantling of single hull tankers.
- Streamlining of aid to shipping where 'clean' and 'safe' facilities used.
- A European certification system for clean ship dismantling.

Against the background of the options, a series of questions are posed to Member States and stakeholders on the way forward, with submissions invited by 30<sup>th</sup> September. ECSA will be making a submission, in cooperation with the wider Industry Group on Recycling.

## **MOTORWAYS OF THE SEA**

### ***First Call under Marco Polo II Programme***

As mentioned in the previous newsletter, the European Commission has published the first call for proposals for the creation of new freight transport services under the second Marco Polo programme.

The deadline for submission of proposals of 22 June 2007 has now been postponed until 6 July 2007.

All relevant documents in relation to this First Call are 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)

### ***Pre-notification of a joint call for tender for Motorways of the Sea projects in the North Sea region.***

Established in October 2006, the North Sea Motorways of the Sea Task Force works on the implementation of the Motorways of the Sea concept in the North Sea region. Following countries take part in the work of the Task Force: Belgium and the Flemish region of Belgium, the Netherlands, Germany, Denmark, Sweden, the United Kingdom and Norway.

Following the requirements of the European TEN-T guidelines, the North Sea Motorways of the Sea Task Force will issue a joint call for the submission of project proposals which precedes the official call of the European Commission (expected in December 2007). This call will address consortia of at least ports and transport operators that are willing to develop Motorways of the Sea connections starting in the North Sea region.

The main focuses of the call will be the improvement and development of sea transport based multimodal logistic chains and the realisation of modal shift towards short sea shipping by establishing appropriate infrastructure and facilities to which funding is aspired. This call is expected to be closed in the course of October 2007.

Projects will be evaluated by the Member States involved. Selected projects will be presented with Member States' support to the European Commission in December 2007, in order to qualify for community funding under the European TEN-T programme.

### ***Appointment of a European Coordinator for Motorways of the Sea***

The European Commission has recently appointed a European Coordinator for Motorways of the Sea, Mr. Luis Francisco Valente de Oliveira. Mr. Luis Francisco is

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Portuguese and held different ministerial functions in previous Portuguese Governments. He currently is Vice-President of the Portuguese Entrepreneurial Association and President of the Conference of Maritime Peripheral Regions.

### **SECURITY**

As mentioned in the previous newsletter, the European Commission organised an E-customs workshop with representatives from the Commission, Member States and the Industry in April. The meeting aimed at examining the impact to maritime transport of Regulation 1875/2006 of 18 December 2006 revising certain provisions of the Community Customs Code and to provide assistance to the European Commission when drafting Guidelines or a manual on the implementation and application of the afore-mentioned Regulation 1875/2006.

The Industry – once again – explained that Regulation 1875/2006 will be difficult to implement in practice and the need to involve the industry in the drafting process

of the Guidelines on Regulation 1875/2006 was reiterated.

At the general Trade Contact Group meeting of June, the Commission informed trade that further meetings will be held with an aim at solving outstanding issues in relation to the implementation of Regulation 1875/2006. The main problems are related to a different understanding of the wordings of Regulation 1875/2006 between trade and the Commission services.

Also in June, the European Commission published draft Guidelines on the status of an Authorised Economic Operator (AEO), for further discussion with the Commission, Member States and the Industry. A meeting with the industry was held on 6 July at which the added value of the AEO status was – once again – questioned and serious concerns were expressed as to its impact on trade. The AEO is laid down in Regulation 1875/2006 and should provide economic operators an easier admittance to customs simplifications or given them facilitations in terms of security and safety controls.

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