

INLAND WATERWAY TRANSPORT EVENT 2015 - 3 March 2015 Brussels

SPEECH BY EBU-PRESIDENT DIDIER LEANDRI

Dear Commissioner Ms. Bulc,

Dear Ms. Gijsbers,

Dear Ms. Rituma,

Dear Mr. Van de Camp,

Ladies and Gentlemen,

Let me first of all thank the key note speakers for sharing their views on major topics regarding inland waterway transport in the broader perspective of the European transport and infrastructure policy with us.

Before entering into discussion with them I would like to focus on some major topics of importance from EBU's perspective.

As already stressed in my opening remarks Inland Waterway Transport offers a huge untapped potential for modal shift actions, both in freight and passenger transport.

Unfortunately the industry in the last year still sailed under difficult economic circumstances. Although the volumes to a certain extent increased, the rates are still under strong pressure. Due to the overcapacity caused by the economic crisis the industry continues to suffer from difficult situations in the various segments. Certain segments, like tankbarging, are more effected than others. This mirrors more or less the overall situation of the European economy. Despite first signs of recovery transport still faces tremendous challenges.

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However Inland Waterway Transport is expected to take a much higher share in the overall transport volume in the coming years. To support this goal the European Commission in September 2013 released its NAIADES II communication to promote IWT in the single EU transport area. In this context the new TEN-T concept plays a major contribution to support this goal. The Central Commission for the Navigation on the Rhine (CCNR) supported this policy by its VISION 2018.

In the latest White Paper, the Commission focused on modal shift targets towards sustainable transport modes. Where the overall share of Inland Waterway Transport has not increased since 1998 and remains at 6,3 % in the freight transport in the entire EU¹, the question raises what actions and framework conditions are needed to address this problem and materialise the full potential of this mode.

Infrastructure

Infrastructure remains the “conditio sine qua non” for the development of inland waterway transport.

According to the OECD long run transport investment levels (new investments) in developed EU economies have traditionally accounted for approximately **1% of GDP** whilst new Member States (MS) have been spending more as a percentage of GDP in order to catch up and complete their basic networks. However, the recent trend - exacerbated by the financial crisis - is that this level of investment has decreased. The EU-27 average in 2011 was **0.7% of GDP** which in the long run leads to a tremendous shortage in infrastructure investment.

This already became manifest on the inland waterways where due to bottlenecks and lacking maintenance our members in the past years suffered too long periods of non reliability towards their clients which led to huge losses. Examples are the insufficient navigability conditions on the rivers Danube and Elbe, which finally - **contrary to the EU policy** - leads to a reverse modal shift.

¹ Eurostat statistical pocketbook 2014

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In this stage we therefore face the challenge how to make the best use of existing infrastructure and need to make sure that the waterways are sufficiently integrated into the new TEN-T policy. In implementing its new TEN-T concept the European Commission last year appointed new coördinators for all corridors that are expected to supervise the multimodal corridor network plans. At the end of last year these corridorplans have been submitted to the Member States for their approval. We are pleased that the PLATINA consortium contributed to the development of these plans by pro-actively providing guidance and hints to the work of the European Coordinators from an inland waterways perspective and will continue to do.

Within the modelling of the multimodal corridors we need to make sure that inland waterways are fully covered and embedded in the new concept and the relevant projects are **co-financed by the full 40 % out of the CEF**.

Let me at this stage draw your attention on our concerns regarding the Connecting Europe Facility (CEF) in relation to the establishment of a **European Fund for Strategic Investments (EFSI), the so called “Juncker Fund”**. Although we strongly welcome the initiative of “An investment Plan for Europe” and are ready to support all efforts towards a renewed European economic boost through investments in key infrastructure projects, we have major concerns regarding the current proposal, in the sense that

- the EFSI budget will drastically limit the CEF envelope for grants.
- investments under EFSI will not follow the TEN-T priorities for funding of transport infrastructure and the prioritization as defined in the Corridor approach.
- the money transferred to the EFSI is not ring-fenced for transport investments.

Of the EUR 8 bn that are to be taken out of the EU budget for the new guarantee fund, EUR 2.7 bn are to come from the transport envelope of the Connecting Europe Facility (CEF), in particular from the headings “Removing bottlenecks, enhancing rail interoperability, bridging missing links and improving cross-border sections”, “Ensuring sustainable and efficient transport systems” and “Optimising the integration and

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interconnection of transport modes and enhancing interoperability". This means that the overall sum available for grant funding of transport projects (in non-cohesion countries) is cut by more than 18% by the EFSI proposal.

During the past year, the Commission, member states and infrastructure managers have jointly worked on corridor work plans that are to identify the priority projects with the highest European added value that should thus be the first recipients of EU funding. However, under the EFSI, any European transport project independent of location and mode of transport can receive funding. This shifts the logic away from the carefully chosen transport priorities of the CEF and TEN-T.

We therefore call upon the decision makers in the EU institutions to take into account these concerns and to ensure that the money dedicated to transport infrastructure in the Multiannual Financial Framework and the Connecting Europe Facility continues to serve the transport objectives defined in the TEN-T Guidelines.

Innovation

Despite the difficult economic situation our industry is also characterised by innovative entrepreneurship. In the past year again a number of LNG driven vessels have been built and are meanwhile sailing on European rivers. In order to boost these innovative sustainable concepts with high societal benefits, sufficient funding out of European and national funds is required.

In this respect I call upon the European decision makers to ensure sufficient financial funding, both for research and development programs and the broad deployment, for which in the actual discussion and **preparation of the work programs under H2020 and CEF** sufficient financial support needs to be dedicated to inland waterway transport initiatives.

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Actually we are discussing **two legislative proposals** from the European Commission that aim to contribute to the innovation in our industry. Both proposals are negotiated under the Latvian presidency, (about which we were already informed by Ms. Rituma).

The first one concerns the proposal for a regulation on requirements relating to emission limits and type-approval for internal combustion engines for non-road mobile machinery (COM (2014) 581 final). With the proposal the European Commission aims to cut emissions of major air pollutants from engines in non-road mobile machinery.

The new proposal - according to the Commission - should provide the NRMM sector with a predictable and stable regulatory framework that is fit for the future and a clear focus on international alignment of technical requirements, particularly with a view to bringing those of the EU and the US closer together, which is expected to ensure a level playing field for European industry and avoid unfair competition from low-cost imports of non-regulated machinery.

Where the inland shipping industry in terms of CO₂ emission already is the cleanest modality, it welcomes the proposed revision of the Non Road Mobile Machinery (NRMM) directive 97/86/EC and the objectives on which the regulation is based, in particular the aim of better air quality and emission limits for all new engines. Ship-owners are committed to reach the objectives as referred to in the Commission proposal. **That implies however** that they must have the opportunity to do so within reasonable perimeters. As the market of inland vessel engines is strongly linked to the maritime engines its development follows the global maritime market rather than stand alone EU standards.

We therefore call upon the decision makers, in particular the Member States and the European Parliament to support us in our plea in an alignment with the maritime standard, which means the existing US EPA Tier 4 standard. Engines meeting the proposed US standard criteria are directly available in every size. Those engines are more than 80% cleaner than the engines based upon the current standard which would imply a major improvement compared to the actual situation regarding air pollutants.

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Governance

The second proposal concerns the revision of the Technical Directive that establishes harmonised conditions for the issuing of the technical certificates for inland waterway vessels. Aim of the proposal is to avoid two different set of rules, those for certificates issued pursuant to Article 22 of the Revised Convention on the Navigation on the Rhine and for the Union inland navigation certificate.

The new approach as proposed under this proposal that would lead to a new governance structure in this and other areas in cooperation with the European Commission and the CCNR is considered a major step forwards by the sector, as it aims to address the overlap of legal frameworks and competencies in the sector. This approach is backed by an administrative arrangement between the EC and the Central Commission for the Navigation on the Rhine CCNR under which uniform standards will step by step replace the different sets of standards actually maintained under various legal regimes.

Labourmarket

Within the sectorial Social Dialogue Committee EBU represents the employers' interests at European level on behalf of its member organisations. In 2012 the social partners concluded a working time agreement which on proposal by the European Commission has been adopted by the Counsel at the beginning of this year. This is considered a major step forwards regarding the conditions of employees in inland navigation taking into account the specific characteristics of this sector.

Furthermore the Social Dialogue is currently investigating the issues of on-board working and living conditions, social dumping/unfair competition and modernisation and harmonisation of manning requirements.

In the field of social security the social partners have actively contributed to the establishment of an agreement on the basis of EU-Directive 883/2004 which states that the applicable law is determined on the basis of the registered office or place of

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business of the operator of the ship. Until now this principle has only been adopted with regard to the navigation of the Rhine, but the social partners jointly support the roll-out of it to all European waterways.

Actually we are involved in the revision of the existing crewing requirements in order to take into account the actual state of the art of the vessel and technical developments. We hope that this initiative under the umbrella of the CCNR will shortly lead to the necessary revision of these provisions that are overdue quite some time.

Revision of the White Paper

Let me conclude my observations and pleas by focusing on the future.

Our honored key note speaker from the European Parliament has been appointed as rapporteur to review the White Paper for which we would like to deliver him some input.

As emphasised in my initial statement, both freight and passenger transport on inland waterways offer huge potentials to contribute to a sustainable future mobility in Europe. It offers huge advantages in terms of its strengths, being its economy of scale – an average inland vessel replaces some 250 lorries -, its high safety record, low externalities and energy-efficiency.

Inland navigation is mainly known as carrier of traditional freight flows of bulk and mass products like coal, iron ore, liquid cargo or cereals. Besides the well known success stories in the field of container transport – which is an area of ongoing growth - there are other quite unknown areas in which waterway transport offer interesting solutions to shippers and society. Let me mention a few recent modal shift examples:

- Nutricia (Danone) in the Netherlands shifted 4000 containers to the water, an innovative example proving that inland waterway transport can play an important role in the short distance continental transport (only 175 km!).
- Heinz, Mars and Bavaria have discovered the advantages of waterway transport on short distances as well.

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- And for those who like beer: 2.000.000.000 bottles of Heineken are meanwhile carried by barge each year.

In the field of passenger transport

- ferry services f.e. offer an important congestion free connection in the secondary roadnet; in the Netherlands alone they contribute to avoid annually 333 million detour kilometers and € 5,6 mio environmental costs to society.
- Other interesting examples are the new public and private transport services in major European cities like Paris, Brussels and Rotterdam.
- Not to forget the important role of cruises for tourism, which is an increasingly important market in Europe, but requires the necessary facilities in the cities that are often forgotten.

To conclude:

These are only a few examples to demonstrate that the role of inland waterway transport is not restricted to the traditional cargo- and passenger flows but offers a huge untapped potential in numerous new areas.

This means that modal shift to sustainable inland waterway transport not only in the traditional and long distance areas are interesting, but a huge modal shift potential also lies with alternative cargo and passenger flows also on short distances.

The implementation of the multimodal corridors needs to provide the necessary framework to solve the infrastructure shortcomings and CEF must support sufficient inland waterway projects in order to tap the full potential of inland waterway transport.

As regards innovation the available funding programs like H2020 and CEF must support the deployment of innovative concepts and solutions in inland waterway transport in a broad range. This covers f.e. the introduction of LNG and new emissions standards together with their broad implementation. This however within the

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acceptabel perimeters as referred to earlier and in line with reasonable technical and economical standards.

To boost intermodality also the recast of the Directive 92/106, which should turn this piece of legislation into one that provides the back-drop to the development of intermodality and combined transport in Europe, should be considered by the European Commission.

Finally, a strong governance structure providing full support to the cooperation between the CCNR and the European Commission is expected to provide the right framework to contribute to reach the goal of the White Paper, being an increased share of sustainable transport modes like inland navigation.

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