

EBU EVENT 17 NOVEMBER 2022 BRUSSELS

ROLE OF INLAND WATERWAY TRANSPORT (IWT) IN THE FRAMEWORK OF EU'S MOBILITY AND SUPPLY POLICY

Dear Mr. Bernard

Dear Mr. Hololei,

Dear Mr. Riquet

Distinguished guests, ladies and gentlemen,

Many thanks for your key note speeches which highlighted the important role of inland waterway transport in the framework of EU's mobility and supply policy.

As you made it very clear there are both huge opportunities and challenges for our sector. Inland Waterway Transport is characterised by its economy of scale leading to energy efficiency and sustainability. A shift from the congested roads to inland waterways as such already leads to an enormous reduction of GHG emissions. Inland Waterway Transport per definition contributes to the realisation of the global and European sustainability goals.

In June last year the Commission published its NAIADES III program, putting forward an ambitious 'Inland Waterway Transport Action Plan 2021-2027' in line with the Green Deal and its Sustainable and Smart Mobility Strategy. It focusses on two core objectives: **shifting more freight transport to inland waterways, and setting the sector on an irreversible path to zero-emissions** accompanied by a paradigm shift towards further digitalisation, as well as accompanying measures to support the current and future workforce.

We support this plan and understand the NAIADES III communication as clear commitment from the European Commission to boost Inland Waterway Transport and to provide the necessary support to materialise its full potential.

In this regard we warmly welcome the intention by the Czech Presidency to prepare Council Conclusions on NAIADES III. It is important and necessary to encourage Member States to elaborate and implement long-term strategies while coordinating actions where necessary within the NAIADES expert group, and build on national support schemes to achieve the objectives of the NAIADES III Action Plan.

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Following above policies and aims to increase the role and share of IWT within the European mobility and sustainability ambitions let me emphasise a number of preconditions that need to be met from our perspective to fully materialise the potential of the sector to the benefit of society and economy:

MODAL SHIFT & URGENT NEED FOR INFRASTRUCTURE INVESTMENTS

1. INFRASTRUCTURE & TEN-T REVISION

IWT within the Sustainable and Smart mobility strategy is supposed to substantially increase its share by 2035 and 2050. As we all know, inland waterways offer a huge potential to absorb much higher volumes on the European waterways. However, **critical low water levels** on major European rivers during the summer period and blockades of vessels in the Danube threatened to disrupt the supply of major industries and society in Europe. Were future proof infrastructure is high on the political agenda, these situations were not caused by climate change but are a consequence of long neglected maintenance of the major European waterways. **IWT needs a reliable, safe, cost effective and climate resilient infrastructure network.** Societies and major industries in Europe depend on a seamless supply of their goods via waterways, while passenger transport on waterways is a major pillar of European tourism.

In view of the challenges ahead and towards the background of the global and Union policies we welcome the Commission proposal to revise the TEN-T regulation. However, we signal a number of shortcomings in the proposal that need to be addressed to realise the fit for future infrastructure and the modal shift ambition of the Union.

An increased ambition for standards and requirements

Inland Waterway Transport (IWT) is expected to increase its share by 25 % by 2030 and by 50 % by 2050. **Previously, EU strategies identified the elimination of infrastructure bottlenecks as a key requisite for the development of inland navigation in Europe.** Unfortunately, due to underinvestment and lack of political attention this could not be realized in the past years. Due to this underinvestment and subsequent low water periods in the past years the modal share of IWT did not increase and more over might lead to a reverse modal shift

In this context we consider the proposed minimum parameters- for the bridges of at least 5.25 m and for the navigable channel depth for rivers and canals of 2.50 m at defined reference water levels, which are exceeded at a defined number of days per year on a statistical average - **as very unambitious** in view of the intended increase of the modal share, and thus as an absolute minimum.

We advocate to lift these minimum standards within the corridor approach to more ambitious parameters enabling the sector to materialise the modal shift goal. As an example of a huge modal shift potential we refer to the increasing share of hinterland container transports which are supposed to substantially grow in the coming years. Where the current minimum bridge height is set at 5.25,

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allowing only 2 layers of containers in vessels, a fit for future infrastructure needs to meet at least 3 and preferably a 4 layers infrastructure, meaning 7.00 m and 9.10 m. The 4 layers infrastructure certainly should be the standard for new infrastructure.

Maintenance

Maintenance is one of the missing cornerstones in the current TEN-T regulation. Due to a lack of maintenance, the navigability on the major European waterways in the past years deteriorated on various stretches leading to disruptive bottlenecks on the European waterway network.

This should equally include the **protection and the non-deterioration of the current status of the waterway network which may be higher than the minimum requirements and levels of services proposed in the legislation.** The current status of the waterway network should not be left to deteriorate but be appropriately maintained.

We express our thanks to the Rapporteurs in the TRAN committee of the European Parliament, Mrs. Thaler and Mr. Riquet, who in their report emphasized that the TEN-T deployment faces several difficulties that require a particular attention to be paid under this revision. In their report they point to some critical shortcomings. From an IWT perspective we welcome the acknowledgement of the shortcomings in deployment. In particular we applaud the rapporteurs findings that the TEN-T deployment requires specific attention in terms of

- An increased ambition for standards and requirements,
- Maintenance
- governance

2. CBER evaluation of the Consortia Block Exemption Regulation (CBER)

EBU - together with other associations representing the relevant stakeholders in the entire supply chain in Europe - already in 2020 opposed the extension of the Regulation. The very associations believed that the Commission had failed to demonstrate that the continuation of the CBER would benefit transportation users and service providers, as foreseen under the Regulation.

According to our experiences it did not add value at EU level but rather - since many years - led to a disruption of markets and the entire transport chain. **From the perspective of the Inland Waterway Transport (IWT) sector this exemption led to a disturbance of container handling in the hinterland connection imposing high additional costs on the sector and leading to a reverse modal shift.** This is contrary to the overall EU policy goals and therefore should be brought to a hold.

EBU members, barge operators & inland terminal operators, have undertaken several measures to cope with the problem. They have bundled container volumes and set up so called "fixed windows"

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or “corridors” to face the operational challenges in the seaports. This has led to operational improvements in the seaports, **but also to substantial costs in the hinterland** – to be paid by the shipper/forwarder/barge operator – and to less flexibility for the shipper/forwarder/barge operator. **In other words: operational efficiency in the seaports at high cost in the hinterland.**

We therefore call upon the European Commission to expire the CBER and encourage the development of specific guidelines for this sector to ensure that the competition law framework for vessel sharing agreements is transparent, enforceable and open to scrutiny at times of market stress.

3. Revision of the Combined Transport Directive (CTD)

Intermodal transport under the current Directive 92/106/EEC is mainly perceived as a combination of road/rail. Consequently the scope of the current economic support measures defined in the current Directive is very limited, consisting of fiscal measures (namely the reimbursement or reduction of taxes) which concern only combined rail/road transport operations.

The revision of the CTD is understood as a logical and necessary next step to contribute to the European modal shift and sustainability goals. It should **create a level playing field between the modes, mainly to repair the restricted perception of intermodality in the current directive. For this purpose IWT and short sea shipping should receive the same treatment in terms of economic support measures and benefits as the combination road/rail.**

We welcome the objective of the initiative by widening the scope of support to facilitate modal shift towards IWT. In line with above observations we consider a compensation for the additional transshipment costs as necessary to boost modal shift towards inland waterway transport and to create a real level playing field.

FLEET INNOVATION TOWARDS ENERGY TRANSITION

Strike the right balance

In its “Fit for 55” communication the Commission aims to deliver the EU’s increased emission reductions target. Where the IWT sector supports the objectives of the EU Green Deal (EGD) and the Sustainable and Smart Mobility Strategy (SSMS), it observes a lack of alignment of the “fit for 55” package. **Certain measures - in particular those laid down in the proposed revision of the Energy Taxation Directive - might clearly undermine these objectives.**

To support the sector in increasing its modal share and setting it on an irreversible path to zero-emissions the Commission must strike the right balance between the ambitions, the financial support and the energy transition measures.

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Taking the very low externalities of IWT, taxation of fossil fuels as of 2023 would impose high additional costs on the sector¹ and might lead to a reverse modal shift. We consider this an inappropriate measure where

- a. modal shift to cleaner modes of transport, such as inland navigation, is already a considerable advantage in terms of cutting emissions, in particular greenhouse gas emissions.
- b. removal of the tax exemption might entail a modal shift to road transport, thereby increasing emissions.

The introduction of a fuel taxation in addition would be in breach of the Mannheim Act and its additional Strasbourg agreement of 1952 on the regime of taxation and customs for gasoil consumed as board supply in the navigation on the Rhine.

To speed up the deployment to reach the emission reduction goals in the IWT sector rather is in need of the right technical solutions, specific aid schemes and fiscal incentives. In concrete terms this means the IWT sector needs

- **available and affordable technology to broadly deploy innovation in the sector**
- **flexible goal based regulatory framework avoiding long term permission processes for innovative solutions**
- **tailor made and dedicated funding combining national and EU funding schemes for**
 - engine renewals
 - retrofitting of engines in existing vessels with electric drive or propulsion (
 - innovative vessel design to reduce energy consumption and to make the fleet resilient towards climate change

Where the Commission aims to encourage the take-up of renewable alternative and sustainable fuels through tax incentives and penalising the use of fossil fuels as of 2023 by imposing taxes, this would imply the availability of sufficient sustainable alternative fuels, which however is not the case yet. Therefore the timeframe to phase out fossil fuels must be a realistic one and must go hand in hand with the availability of sufficient alternative renewable solutions to meet the transport demand and their **wide roll-out**.

We therefore welcome the proposed Alternative Fuel Infrastructure Regulation that imposes the establishment of such infrastructure along the entire European waterway network

¹ According to the CCNR study on a financial instrument for greening the IWT sector (deliverable G+H) with a tax of 4 eurocent per liter gasoil imposed on the IWT sector a European wide basis would amount €53mln on an annual basis which is an equivalent of a total cost increase between 0.6% and 2.1%.

Strong Governance needed

Inland Waterway Transport is governed by different legal regimes, such as under the European treaties, the Mannheim Act, the Belgrade Convention and UN ECE treaties. This requires more than ever the recognition of the mutual benefits of each other's legal work and a strong cooperation between the European Union and the other Organisations involved with the aim of jointly and effectively supporting IWT in Europe.

We are very pleased to witness the strong cooperation between the European Commission, all River Commissions and UNECE as laid down in the Communication to strengthen ever further the governance of the sector. The Central Commission for the Navigation of the Rhine in particular actively supports the collective work of the European Committee for drawing up Standards in the field of Inland Navigation (CESNI) and continues to play, in addition to its long-standing regulatory responsibilities on the Rhine, an essential role as centre of excellence and knowledge in the development of an appropriate legal framework for IWT in Europe. The ever closer cooperation between the EU/EC and the other institutions will undoubtedly help bring IWT to the forefront of the new mobility policies essential for our sustainable development in Europe.

CONCLUSION

IWT is an enabler to absorb much higher volumes and to deliver the ambitions of the EU Green Deal

Keeping already a very positive environmental record today the intended increase of the modal share of IWT will substantially contribute to an overall decrease of GHG emissions of transport. The IWT sector is prepared and committed to take the necessary steps towards zero emission and to take over much higher volumes of freight and passengers on the waterways if the right framework conditions are met.

This calls for

1. more and immediate investment in waterway infrastructure by the Member States and more funding out of CEF
2. to increase the share of Inland waterway transport by
 - a. a full integration in the multimodal chain,
 - b. creating the right regulatory framework and
 - c. correcting imbalances such as the long lasting port congestion
3. supporting the energy transition of the sector via
 - a. tailor made funding for the large scale deployment of green technologies for the fleet,
 - b. reliable alternative fuels and
 - c. digitalisation.

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