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Impact Assessment

**Communication from the Commission to the Council, the European Parliament, the
European Economic and Social Committee and the Committee of the Regions**

**Mid-Term Review of the Programme for the Promotion of Short Sea Shipping
(COM(2003) 155 final)**

**{COM(2006) 380 final}
{SEC(2006) 922}**

Executive Summary

Fast growth of heavy road transport and related congestion, accidents and pollution are the main economic, social and environmental problems that the policy to promote Short Sea Shipping is expected to address. Furthermore, the efficiency and sustainability of the mode are in focus in co-modality¹. Europe needs an efficient logistics transport system combining the benefits of all modes to maintain and increase European competitiveness and prosperity in line with the Lisbon agenda and the mid-term review of the White Paper on European Transport Policy.

Short Sea Shipping is developing fast but could develop even faster in optimal circumstances. A number of factors, however, are slowing down its development:

- It has not yet reached full integration in the multimodal door-to-door supply chain;
- It involves complex administrative procedures;
- It requires higher port efficiency and good hinterland accessibility.

The Programme for the Promotion of Short Sea Shipping has been running successfully since 2003 to enhance the mode and overcome obstacles to its development.

This impact assessment examines the impacts of different policy options to enhance the development of Short Sea Shipping now that the Promotion Programme has been running for three years. More in detail it examines the impacts of alternative options, including that of presenting a mid-term review of the Promotion Programme with four new or re-targeted measures. The short-listed options are:

- Abolish EU promotion of Short Sea Shipping;
- Do nothing new, but continue the ongoing Promotion Programme as it is;
- Review the 2003 Programme for the Promotion of Short Sea Shipping by presenting a new Commission Communication that combines new and re-targeted soft measures with a legislative framework.

RANKING THE OPTIONS	
	Aggregated impacts in total
Abolish EU promotion action	From slightly negative to negative
Do nothing new	From neutral to slightly negative
Review the 2003 Promotion Programme by presenting a Commission Communication	Slightly positive

The preferred option is to present a Commission Communication reviewing the 2003 Programme for the Promotion of Short Sea Shipping. In line with the approach used in 2003, this review should combine soft measures with a legislative framework.

¹ 'Co-modality' means the efficient use of transport modes operating on their own or in multimodal integration in the European transport system to reach an optimal and sustainable utilisation of resources.

Impact Assessment

This report commits only the Commission services involved in its preparation and does not prejudice the final form of any decision to be taken by the Commission.

SECTION 1: PROCEDURAL ISSUES AND CONSULTATION OF INTERESTED PARTIES

1.1. Organisation and timing

The Commission has prepared a Communication under the Work Programme 2006 of the Directorate General for Energy and Transport (ref. 2006/TREN/006) containing a Mid-Term Review of the Programme for the Promotion of Short Sea Shipping (COM(2003) 155 final).

An external study contributing to the evaluation of impacts was launched in November 2005 and was finalised in substance in April 2006.² The internal impact assessment was carried out in March/April 2006.

No inter-service steering group was set up owing to the nature of the Communication (review of an Action Plan without legislative or budgetary implications).

1.2. Consultation and expertise

1.2.1. External expertise

Information for the mid-term review was gathered mainly by the responsible Commission service in co-operation with the Member States, industry, Short Sea Promotion Centres, and European Sea Ports Organisation (statistics).

Three studies relating to the sphere of the Communication were finalised in June 2005, March 2006, and April 2006 under the Maritime Transport Co-ordination Platform (MTCP):

- Comparative benchmarking of performance for freight transport across modes from the perspective of transport users: Short Sea Shipping vis-à-vis rail, road and inland waterways³;
- Inventory of communications systems for administrative data in ports, between ports and between ports and port users in the EU and their compatibility with each other⁴;
- The realisation of Motorways of the Sea⁵.

² Impact Assessment on Short Sea Shipping Promotion Programme Mid-Term Review, BTM Ltd, April 2006.

³ Comparative Benchmarking of Performance for Freight Transport across the Modes from the Perspective of Transport Users: Short Sea Shipping vis-à-vis Rail, Road and Inland Waterways, Institute of Shipping Economics and Logistics (ISL), January 2006 (updated in March 2006).

⁴ Port Data Exchange Systems, Sequoyah, April 2006.

⁵ The realisation of Motorways of the Sea, British Maritime Technology (BMT) Ltd, June 2005.

REALISE (Thematic Network for Short Sea Shipping) finalised its work at the end of 2005 on three essential areas for the Communication (statistics, comparative pricing, and environmental performance)⁶.

1.2.2. Stakeholder consultations

Consultations with the Member States (Short Sea Shipping Focal Points⁷), industry (Maritime Industries Forum - MIF) and Short Sea Promotion Centres⁸ started in October 2005 in a joint meeting between the parties. Written comments were requested by January 2006. The Commission organised a further meeting with the parties in May 2006.

1.2.3. Consultation standards

The Commission's minimum standards for consultations have been met.

1.2.4. Main results of consultations

Elements from the received contributions:

The received contributions confirmed that Short Sea Shipping needs to be encouraged and promoted. They were, in general, positive and enforced the benefits of the original Programme for the Promotion of Short Sea Shipping. Progress since the presentation of the 2003 Promotion Programme has been positive. The actions in the Programme need to be fully implemented.

A new classification of the actions was also suggested. On the one hand, there could be actions of continuous nature where constant follow-up is needed, and, on the other, specific actions that are defined in time and expected results. Furthermore, there was a request to concentrate more on administrative elements.

Comments from the Commission services:

The Commission aims to target all the actions in the Promotion Programme in such a way that deadlines, expected results and parties involved are all defined. For action No. 7 (bottlenecks), a new classification might be feasible, if so agreed. Administrative elements are an important part of the Programme, and of the bottleneck exercise, and they are constantly in focus.

⁶ See: www.realise-sss.org.

⁷ Short Sea Shipping Focal Points are representatives of national maritime administrations and responsible for Short Sea Shipping in their administrations.

⁸ Shortsea Promotion Centres are business-driven entities that offer neutral, impartial advice on the use of Short Sea Shipping to meet the needs of transport users. These 21 national Centres are networked at European level into the European Shortsea Network (ESN).

1.2.4.1. Directive⁹ on certain reporting formalities for ships to arrive in and/or depart from ports in the Member States (IMO-FAL¹⁰)

Elements from the received contributions:

The continuation of this action was supported, on the one hand, and its deletion was suggested, on the other, since the legislation is in place.

There was a proposal that the IMO-FAL Directive (2002/6) should be followed up and extended to combined SSS/road/rail services.

Further unification of documents and procedures was also suggested.

Comments from the Commission services:

The action on IMO FAL in the 2003 Promotion Programme has almost been completed. However, follow-up and monitoring will have to continue. Furthermore, the 32nd session of the IMO FAL Committee in July 2005 adopted some technical amendments to the FAL Convention. These will have to be incorporated in the Directive and transposed at national level. This will constitute a new target for the action.

The Commission is currently examining documentation in different modes as part of its multimodal policy with a view to finding opportunities for more uniformity. The IMO FAL forms are specific to shipping, but lessons learnt from them could be used in other processes.

1.2.4.2. Marco Polo¹¹

Elements from the received contributions:

The action concerning Marco Polo was considered important for Short Sea Shipping.

A number of contributions referred to the need to avoid distortions of competition when selecting projects under Marco Polo. Marco Polo selection should also be vigorous to ensure the viability of selected projects.

There seems to be a need to distribute more information on EU financial support programmes, such as Marco Polo.

Furthermore, comments were received on the Marco Polo procedure which was considered heavy.

Comments from the Commission services:

The action will continue.

⁹ Directive 2002/6/EC of the European Parliament and of the Council of 18 February 2002 on reporting formalities for ships arriving in and/or departing from ports of the Member States of the Community, OJ L 67, 9.3.2002, p. 31.

¹⁰ International Maritime Organisation's Facilitation Forms.

¹¹ Regulation (EC) No 1382/2003 of the European Parliament and of the Council of 22 July 2003 on the granting of Community financial assistance to improve the environmental performance of the freight transport system (Marco Polo Programme), OJ L 196, 2. 8.2003, p. 1.

Two major criteria when selecting projects under Marco Polo are avoidance of distortions of competition and viability of the projects in the longer run. Contractual conditions also require that any shift of cargo subsidised by Marco Polo has to come from the road and not from other non-road modes.

Information on Marco Polo is available on the Marco Polo website. Furthermore, the Commission occasionally organises information days on Marco Polo. In 2006, such an information day takes place in Hungary.

Simplification of procedures is under examination.

1.2.4.3. Intermodal loading units¹²

Elements from the received contributions:

On this point, the comments were mainly negative. Efforts to define new container standards should be taken at international and not European level. The construction of intermodal loading units should be left to the market and the contributions indicated that there were developments in the market. When designing a new intermodal loading unit, one should not ignore the standards employed outside the EU and units employed in deep-sea trade. Deletion of the action on the European Intermodal Loading Unit (EILU) was suggested since there seems to be no need for a new standard and there has not been significant progress. A new approach would be needed to further enhance multimodality.

Existing intermodal loading units should be exempted from the new technological requirements prescribed in the proposal.

It was also suggested that 45-foot containers might be an appropriate solution. Therefore, their use should be allowed beyond 2006.

Comments from the Commission services:

The Commission proposed, in 2003, a European Intermodal Loading Unit (EILU) that would be a pallet-wide, reinforced stackable swap body for intra-European traffic and utilise the maximum capacity allowed on the road. It would be a voluntary standard combining the advantages of swap bodies with the rigid construction of containers. The idea behind the EILU is not to replace containers but to create a viable and feasible alternative to swap bodies that already today only move in Europe. It would also not interfere with the circulation of containers.

Furthermore, the proposal is not particularly targeted towards maritime transport but covers all modes. However, Short Sea Shipping could draw clear benefits from it, for instance, by being able to penetrate the swap body market that has so far been confined to land modes.

Without prejudice to Article 4(4) of Directive 96/53/EC¹³ on weights and dimensions in road traffic, 45-foot containers will be able to continue circulating on European roads until the end of 2006 (cf. Article 4(6) of the Directive).

¹² Proposal for a Directive of the European Parliament and of the Council on Intermodal Loading Units, COM(2003) 155 final, 7.4.2003, as amended by COM(2004) 361 final, 30.4.2004.

Reference is made to recital No. 5 in Directive 2002/7/EC that amends Directive 96/53/EC:

“(5) Harmonised rules on maximum weights and dimensions of vehicles should remain stable in the long term. Thus, the amendments laid down in this Directive should not create a precedent for the maximum authorised weights and dimensions of buses and other categories of motor vehicle.”

1.2.4.4. Motorways of the Sea

Elements from the received contributions:

The majority of contributions considered that the action on Motorways of the Sea was important for encouraging stakeholders to promote Short Sea Shipping as part of logistics chains.

Some contributions considered that the action on Motorways of the Sea was complete and should be taken out or at least no significant effort should be placed on this action. Priority should be given to the development of efficient cross-border transport corridors.

A number of contributions considered that utmost care should be taken to avoid distortions of competition, because the risk is high.

There seems to be a need to distribute more information on EU financial support programmes, such as Motorways of the Sea. Applications should be encouraged. The application procedure should be easy to manage.

Motorways of the Sea should be extended to non-EU countries in accordance with the conclusions of the High-Level Group on the extension of the trans-European transport network (TEN-T) to neighbouring countries.

Special focus should be given to developing an efficient terminal and port system (especially port-hinterland connections).

One contribution suggested that Motorways of the Sea should be more specified and a taskforce could be established for each of the four Motorways of the Sea areas.

One contribution considered that Motorways of the Sea are not proper Short Sea Shipping because they arise from political considerations based on environmental concerns while Short Sea Shipping is driven by market forces.

One contribution suggested that Motorways of the Sea should not be seen from the outset as subsidisation even though they might politically be put in place where the market does not spontaneously establish short-sea links.

¹³ Council Directive 96/53/EC of 25 July 1996 laying down for certain road vehicles circulating within the Community the maximum authorized dimensions in national and international traffic and the maximum authorized weights in international traffic, OJ L 235, 17.9.1996, p. 59, as amended by Directive 2002/7/EC, OJ L 067, 9.3.2002, p. 47.

Comments from the Commission services:

The action on Motorways of the Sea, as described in the 2003 Programme for the Promotion of Short Sea Shipping, has been fully completed.¹⁴ It covered the first stage of defining Motorways of the Sea. Work has already gone beyond that stage and a new target should now be set to make the first Motorways of the Sea operational.

Motorways of the Sea are an important part of Short Sea Shipping. They should become quality multimodal connections involving Short Sea Shipping. They should be viable and able to collect significant freight flows from the road through co-operation and partnership between the State and industry. The first stage of their implementation should be ready by 2010.

Currently studies supported under the TEN-T are being carried out on master plans towards realising Motorways of the Sea. There is a task force around each of the master plans, one is for the Baltic Sea, one for the European west coast and one for the Mediterranean. Further task forces are under consideration.

The concept of Motorways of the Sea should be promoted to the neighbouring countries of the EU to encourage these countries to emphasise comprehensive logistics designs involving Short Sea Shipping.

The Commission is encouraging applications for Motorways of the Sea projects. In February 2005, the Commission developed a Vademecum¹⁵ facilitating the practical application of the legal framework specifying the concept.

In January 2006, the Commission, together with the Slovenian authorities, organised a ministerial conference on Motorways of the Sea. This conference adopted conclusions that address a number of issues. Furthermore, they urged the Member States “to give a clear priority to the Motorways of the Sea in the framework of the TEN-T programming and to involve the private sector in order to turn the concept of the Motorways of the Sea into concrete initiatives”. The full text of the conclusions is attached to this Commission Staff Working Document (see appendix 1).

The Commission will also examine whether the concept of Motorways of the Sea can be extended to a quality label for logistics excellence in Short Sea Shipping.

1.2.4.5. The environmental performance of Short Sea Shipping

Elements from the received contributions:

It was generally considered that improving the environmental performance of Short Sea Shipping was important. The use of new technologies should be encouraged.

¹⁴ The action in the 2003 Promotion Programme reads: “Finalise deliberations on the Motorways of the Sea to make adherence to them attractive to the market players with a view to fulfilling the objectives of the White Paper”.

¹⁵ A Vademecum issued in conjunction with the call for proposals TEN-T 2005, 28 February 2005. See www.ec.europa.eu/comm/transport/intermodality/motorways_sea/projects_en.htm.

It was also noted that new environmental requirements could make Short Sea Shipping more expensive. Environmental requirement put on shipping should not become stricter than those for the road. Further study is needed on the internalisation of external costs.

Control of the “sulphur Directive”¹⁶ is important so that 3rd country ships do not get an unfair competitive advantage.

Comments from the Commission services:

The action will continue. The Commission services take note of the above remarks.

The SO_x and NO_x emission limits are stricter in road transport than for ships. The average sulphur content of marine heavy fuel oil is currently 27.000 parts per million (ppm) while this limit for automotive petrol and diesel is 10 ppm. The “sulphur Directive” will lower the sulphur content of marine fuel for certain areas or operations. However, much more needs to be done before shipping can reach the level of other modes.

Furthermore, the waterborne platform under the 7th Framework Programme will also examine ways to lower ship emissions, new ships types and engines.

1.2.4.6. Guide to Customs Procedures for Short Sea Shipping

Elements from the received contributions:

There is still a need for action relating to Customs matters and the useful work should continue. Simplifications explained in the Guide to Customs Procedures for Short Sea Shipping¹⁷ are being used. A new revised version of the Guide would be welcome.

It was also noted that the pre-notification deadlines for Short Sea Shipping under the Customs security rules should be adapted to the needs of the mode. A simplified regime for security controls should be developed for Short Sea Shipping (taking inspiration from the Customs concept of Authorised Regular Shipping Service¹⁸). The application of the ISPS Code¹⁹ should not create an extra burden to Short Sea Shipping.

Comments from the Commission services:

The Commission considers that action No. 6 in the Promotion Programme has been fully completed for the time being. Nevertheless, work to identify and address specific Customs-related issues will continue under Actions 7 and 8.

The Commission has periodically updated the original Guide to Customs Procedures for Short Sea Shipping. At the moment, an update does not seem timely, because the Customs legislation is being amended. Further updates can be considered when the Commission

¹⁶ Directive 2005/33/EC of the European Parliament and of the Council of 6 July 2005 amending Directive 1999/32/EC as regards the sulphur content of marine fuels, OJ L 191, 22.7.2005, p. 59.

¹⁷ Commission Staff Working Document: Guide to Customs Procedures for Short Sea Shipping, SEC(2002) 632, 29.5.2002.

¹⁸ See Commission Staff Working Document: Simplified Customs Procedures in Short Sea Shipping: ‘Authorised Regular Shipping Service’, SEC(2004) 333, 17.3.2004.

¹⁹ International Ship and Port Facility Security, which constitutes an amendment to the SOLAS (Safety of Life at Sea) Convention.

proposals for modernising the Customs Code²⁰ and the implementing provisions for Regulation (EC) No 648/2005²¹ will have been adopted.

Security is of utmost importance to shipping. Security procedures have so far not been reported as concrete obstacles to Short Sea Shipping. A difficult balance has to be drawn between security procedures fulfilling the highest security requirements and the flow of trade.

In the port security domain, Short Sea Shipping could benefit from the opportunity in the SOLAS (Safety of Life at Sea) Convention to conclude bilateral or multilateral agreements between the Member States on alternative security arrangements. The implementing provisions for Regulation (EC) No 648/2005 are planned to take certain specificities of Short Sea Shipping into consideration. The conclusions of the ministerial conference in January 2006 also highlighted this possibility (see appendix 1).

The new Commission proposal for a Regulation on enhancing supply chain security²² aims to create a voluntary framework for operators to become “secure operators” and benefit from a “fast track treatment”, security facilitations, and simplifications of Customs controls.

1.2.4.7. Identification and elimination of obstacles to making Short Sea Shipping more successful than it is today²³

Elements from the received contributions:

The action to identify and solve bottlenecks was generally considered worthwhile and useful. It should concentrate on bottlenecks where concrete results can be achieved.

The exercise should be co-ordinated in co-operation with the European Shortsea Network.

It was suggested to invite Customs experts in the Commission services or national Customs representatives to the meetings of the Short Sea Shipping Focal Points.

It was requested to create more flexibility within the framework of Authorised Regular Shipping Services²⁴ for ships calling both at port in the EU and outside the EU (so-called “infected vessel”). Advance summary declarations should not apply to Authorised Regular Shipping Services.

Comments from the Commission services:

The action to identify and solve bottlenecks will continue. Bottlenecks where concrete results can be achieved will be in focus.

²⁰ Proposal for a Regulation of the European Parliament and of the Council laying down the Community Customs Code (Modernized Customs Code), COM(2005) 608 final, 30.11.2005, and Proposal for a Decision of the European Parliament and of the Council on a paperless environment for customs and trade, COM(2005) 609 final, 30.11.2005.

²¹ Regulation (EC) No 648/2005 of the European Parliament and of the Council of 13 April 2005 amending Council Regulation (EEC) No 2913/92 establishing the Community Customs Code, OJ L 117, 4.5.2005, p. 13.

²² Proposal for a Regulation of the European Parliament and of the Council on enhancing supply chain security, COM(2006) 79 final, 27.2.2006.

²³ See: www.ec.europa.eu/comm/transport/maritime/sss/bottlenecks/index_en.htm.

²⁴ See footnote 18.

In the last couple of years, the involvement of the Shortsea Promotion Centres has clearly increased in the bottleneck exercise and the Commission services are willing to increase this involvement further.

The idea to involve Customs experts in the work of the Focal Points could be pursued.

The issue of an “infected vessel” is included in the bottleneck exercise. Furthermore, the Commission plans to launch a wider debate on a “Common European Maritime Space” where both the ship’s journey and goods could be reliably and securely tracked all the way along, thereby decreasing the need for individual controls of ships involved in purely intra-Community trade.

1.2.4.8. Approximation of national applications and computerisation of Community Customs procedures

Elements from the received contributions:

The contributions were all positive to continuing work on this action. The action was even called an overall success.

Efficient co-operation between the Commission services (Directorates General for Energy and Transport and Taxation and Customs Union) should continue.

Further unification of documents and procedures was also suggested.

Comments from the Commission services:

Action No. 8 will continue in a co-ordinated way between the different Commission services.

1.2.4.9. Research and Technological Development

Elements from the received contributions:

The action on Research and Technological Development was considered valid and should be further developed. However, this area should not be a priority. Application procedures were considered heavy. Efficient dissemination in an understandable way is important.

There was also a suggestion to disseminate information on ongoing and prepared studies in different related areas.

Comments from the Commission services:

Action No. 9 will continue. It includes a measure for carrying out effective dissemination. The results of relevant studies are regularly forwarded to the Focal Points, Shortsea Promotion Centres and industry.

The Commission proposes a simplification of procedures in the 7th Framework Programme. The waterborne platform will address issues ranging, *inter alia*, from better ship designs to operational characteristics in terminals, logistics, and the environmental performance of maritime transport.

1.2.4.10. One-stop administrative shops

Elements from the received contributions:

The contributions to this action were generally positive. The action is still valid and should be further developed. Modern technologies should be highlighted. Harmonisation of data in the transport chain would help the process.

However, this initiative should be pursued only if it gives added value. It should not put a greater burden on Short Sea Shipping. Funding of the initiative should be clarified. Duplication of controls, such as security controls, should be avoided.

Comments from the Commission services:

Action No. 10 will continue.

1.2.4.11. Short Sea Shipping Focal Points

Elements from the received contributions:

All contributions to this point were positive. The action on co-operation between the Short Sea Shipping Focal Points is still valid and should be further developed. The Commission should continue guiding the Focal Points in their work. Special attention should be given to the role of the Focal Points in financing Shortsea Promotion Centres.

Comments from the Commission services:

Action No. 11 will continue.

1.2.4.12. Shortsea Promotion Centres

Elements from the received contributions:

All contributions to this action were positive.

The role of the Shortsea Promotion Centres has been important in successfully raising the image of Short Sea Shipping. The action is still valid; it should be continued and further developed. The Commission should continue ensuring good functioning of and guidance to the Promotion Centres. Future maritime professionals should also be targeted in promotion.

Several concerns were raised about the financing of Shortsea Promotion Centres. Special attention should be given to the role of the Focal Points in financing these Centres. The Centres should be financed by public financing. It is not their nature to become self-financing, and they should currently not be required to do so. Some contributions considered that the Centres should be financed from the EU budget on a permanent basis.

An idea that emerged was to extend the scope of the Shortsea Promotion Centres towards multimodality in inland logistics chains.

Comments from the Commission services:

Action No. 12 will continue.

The Focal Points have a special role in relation to the Shortsea Promotion Centres. The Commission organises regular meetings between the two groups. The ultimate target should remain that the Centres, at some point, would reach self-financing.

The Commission services fully agree that promotion should also target young people to attract them to the maritime profession.

The Commission has awarded certain grants to Shortsea Promotion Centres and to the European Shortsea Network. Some Promotion Centres have also carried out studies for the Commission services. As has been the case earlier, any financing should be granted on non-discriminatory basis and be targeted towards specific tasks and be limited in time.

The ministerial conference in January 2006 concluded that “the national and regional public authorities should support the extension of the mandate of the national centres for the promotion of Short Sea Shipping to include the aspects of intermodality and become also centres for the promotion of intermodal transport and contribute in this context to the Motorways of the Sea” (see Appendix 1).

The mid-term review of the Programme for the Promotion of Short Sea Shipping sets a new benchmark examining whether it could be feasible to extend the scope of these Centres to encompass a wider promotion of inland multimodality and related logistics.

1.2.4.13. The image of Short Sea Shipping

Elements from the received contributions:

The action on the image of Short Sea Shipping was generally considered valid and should be continued and further developed. In fact, this action was considered successful and one could already talk about an “improved” image of Short Sea Shipping which could be further improved. Sharing best practice also continues to be an important tool.

The Shortsea Promotion Centres and their European Shortsea Network have an essential role in improving the image of the mode. It would be mainly for industry and these Promotion Centres to work on the image.

A general flow of information on Short Sea Shipping should continue to be ensured. Apart from the day-to-day work of the Shortsea Promotion Centres, also the Internet, conferences, seminars, workshops and the like are important in this respect.

The Commission should put a greater emphasis on the Shortsea Promotion Centres and develop co-ordinated promotional campaigns.

The integration of Short Sea Shipping in the multimodal logistics chain should be further promoted. Contacts with other modes and buyers of transport services (e.g. with rail managers, transport users, freight forwarders and road hauliers) and standardising document were mentioned.

There was also a contribution considering that industry still suffers from a low profile and a perception that it is not up-to-date, reliable, cost-effective and regular.

Comments from the Commission services:

Action No. 13 of the Promotion Programme will continue with greater emphasis on the multimodal integration of Short Sea Shipping so that the mode can play its full role in co-modality. Also distribution of success stories (best practice) is planned to continue.

The Commission is fully aware of the essential role of the Shortsea Promotion Centres in promoting the mode and improving its image. The Commission will also continue to distribute information on door-to-door Short Sea Shipping, its multimodal integration, and the role of the mode in European logistics. The Commission will also continue to participate in conferences, seminars and the like, as appropriate.

Developing co-ordinated promotion campaigns together with the European Shortsea Network is a practical idea that could be worth considering in detail under actions Nos. 12 and 13.

Further reductions of pollutant emissions in shipping would also help improve the image of Short Sea Shipping.

The image of Short Sea Shipping can also be assisted by the high political profile that Motorways of the Sea are currently enjoying. This could be used to extend the current scope of Motorways of the Sea beyond the trans-European transport network to a quality label for logistics excellence in Short Sea Shipping.

1.2.4.14. Statistical information

Elements from the received contributions:

It was generally considered that the action to compile European-wide statistics on Short Sea Shipping should be continued and further developed to allow reliable comparisons of cargo flows between the modes.

Some contributions suggested that new efforts should be made to develop methods for collecting statistics on cross-border transport, combined transport and regional variations. Origin-destination statistics were also looked for.

Comments from the Commission services:

Action No. 14 of the Promotion Programme will continue at least until sufficient data series, in tonne-kilometres, can be obtained from the Council Directive on Maritime Statistics²⁵. For the time being, the Commission has partly relied on data provided by a number of member ports of the European Sea Ports Organisation (ESPO)²⁶. The Commission is grateful to these ports and to ESPO for co-ordinating this exercise.

²⁵ Council Directive 95/64/EC of 8 December 1995 on statistical returns in respect of carriage of goods and passengers by sea, OJ L 320, 30.12.1995, p. 25, as implemented by Commission Decisions 98/385/EC of 13.5.1998, OJ L 174, 18.6.1998, p. 1, 2000/363/EC of 28.4.2000, OJ L 132, 5.6.2000, p.1, and 2001/423/EC of 22.5.2001, OJ L 151, 7.6.2001, p. 41.

²⁶ Seventy-five member ports of ESPO participated in this exercise: Algeciras, Alicante, Almeria-Motril, Ancona, Antwerp, Augusta, Aviles, Baleares, Barcelona, Bari, Bilbao, Bremen, Brugge/Zeebrugge, Brunsbüttel, Cadiz, Cagliari, Cartagena, Castellon, Ceuta, Coruña, Dunkirk, Ferrol, Genoa, Ghent, Gijón, Hamburg, Hamina, Helsinki, Huelva, Joensuu, Kalajoki, Kaskinen, Kemi, Kiel, Kokkola, Kotka, Kristiinankaupunki, La Spezia, Lappeenranta, Las Palmas, Loviisa, Lübeck, Málaga, Marín,

The Commission services are working with industry to establish a data capture system for intermodal transport statistics in Europe (European Intermodal Observatory).

1.2.4.15. Further suggestions

There were contributions that contained some further suggestions that could not be classified under the above headings:

- State aid guidelines for maritime transport should remain in place for a longer time to create stability for industry;
- Improve controls in road transport (social and technical rules);
- There should be covered loading areas in ports;
- Financial incentives should be given to acquiring vessels able to move in ice.

These suggestions go beyond the scope of the current exercise, but the Commission services take note of them. Concerning the State aid guidelines for maritime transport, the Commission services are currently considering whether the periods of allowable State aid could be matched with the periods indicated in the proposal for Marco Polo II²⁷.

SECTION 2: PROBLEM DEFINITION

2.1. Defining the problem

Fast growth of heavy transport by road and related congestion, accidents and pollution are the main economic, social and environmental problems that the policy to promote Short Sea Shipping is expected to address. Furthermore, the efficiency and sustainability of the mode are in focus. Europe needs an efficient transport system combining the benefits of all modes to maintain and increase European competitiveness and prosperity.

The problem of Short Sea Shipping not developing as fast it could in optimal circumstances was also the basis for the Commission to present, in 2003, the Programme for the Promotion of Short Sea Shipping with 14 actions that have the objective to enhance the mode and overcome obstacles to its development.

2.2. Underlying drivers of the problem

A number of problems still hinder Short Sea Shipping from developing faster:

- It has not yet reached full integration in the multimodal door-to-door supply chain;

Mecklenburg-Vorpommern, Melilla, Messina, Mustola, Naantali, Oslo, Ostende, Oulu, Palermo, Pasajes, Pietarsaari, Piombino, Piraeus, Pori, Puttgarden, Raahe, Ravenna, Rostock, Rotterdam, Santander, Sassnitz, Sevilla, Taranto, Tarragona, Tenerife, Trapani, Trieste, Valencia, Varkaus, Vigo, and Villagarcia.

²⁷ Proposal for a Regulation of the European Parliament and of the Council establishing the second “Marco Polo” programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system (“Marco Polo II”), COM(2004) 478 final, 14.7.2004.

- It involves complex administrative procedures;
- It requires higher port efficiency and good hinterland accessibility.

Shippers, cargo owners and buyers of transport services need to be convinced that Short Sea Shipping is an integral part of the logistics transport chain in Europe and that it can perform – in terms of price, reliability and other relevant factors - as well, or even better, than road transport. This underlying problem can only be overcome by promotion. Turning the mindsets of people to seriously consider Short Sea Shipping as an alternative for their transport needs, is a long-term process that has been going on for a few years but still needs to be continued.

Administrative procedures are, admittedly, heavy in Short Sea Shipping. The mode cannot offer the same flexibility or regularity as road. Transit time is often somewhat longer. Short Sea Shipping is the best option in transport over a certain distance that is longer than in other modes. Short Sea Shipping is, admittedly, a complex mode door-to-door, but this complexity can be overcome by sufficient logistics planning and management (e.g. by one-stop shops).

It is also important to streamline administrative and Customs procedures to the requirements of modern logistics. This will also help streamline procedures in ports. Individual bottlenecks, whether Europe-wide or local, need to be overcome.

It is important to support Short Sea Shipping. The Community programme Marco Polo can help Short Sea Shipping overcome certain barriers, the most important of them being the high start-up costs of new services. Motorways of the Sea can help Short Sea Shipping better integrate into multimodal and co-modal chains by improving hinterland connections and port infrastructure and increasing co-operation between different players in the market.

2.3. Affected parties

Everyone is affected by these issues. Road transport results in congestion, accidents, noise and environmental pollution that affect the citizens and industry. Building land-based infrastructure also needs careful land-use planning. The short-sea cluster is an important source of employment. These concerns are also evident at political level.

Europe at large is affected because its transport system is not used in a balanced way but emphasises the road component even over longer distances. European competitiveness and prosperity can suffer when the transport system is not used optimally. Road transport will always be needed because shipping cannot reach everyone's doorstep but better complementarity of modes in co-modality should produce more efficient results.

2.4. Foreseen evolution of the problem

Things remaining equal, without further measures, Short Sea Shipping would lose its current momentum, its development would start stagnating, and it would not be able to fully respond to the challenges of the mid-term review of the White Paper on European Transport Policy and the Lisbon agenda.

The detailed impacts of this scenario are presented under the option “do nothing new” below.

2.5. Subsidiarity, proportionality and fundamental rights

The policy to promote Short Sea Shipping is based on Article 80(2) of the Treaty.

National policies might not always produce interoperable transport solutions that are needed for Europe to optimally work together in an area without borders. Substantial results can only be achieved by the European Commission working with the Member States and industry towards a coherent framework covering the whole of Europe.

Individual legislative measures that might follow from the Short Sea Shipping policy would have to be examined one by one from the point of view of subsidiarity. However, the only new legislative action referred to in the mid-term review of the 2003 Promotion Programme and in this impact assessment is that of bringing the annexes to Directive 2002/6/EC (IMO FAL)²⁸ in line with the IMO measures adopted in 2005 when these have entered into force. This work will be done under a comitology procedure as provided for in Article 5 of the Directive. All other measures indicated are either soft measures or measures in support of ongoing legislative initiatives (such as the proposal on intermodal loading units²⁹). Subsidiarity, proportionality and fundamental rights are fully respected.

SECTION 3: OBJECTIVES

3.1. General policy objectives

The 2003 Programme for the Promotion of Short Sea Shipping set out 14 actions that have the objective to enhance the mode and overcome obstacles to its development.

The overall policy objectives in terms of expected results are to increase the efficiency of Short Sea Shipping and shift goods from road to short sea in order to diminish the unsustainable trends indicated in Section 2 above. European competitiveness and prosperity need to be maintained and increased, and Short Sea Shipping is an essential part of this process. Furthermore, Short Sea Shipping enhances cohesion and links to peripheral areas and islands.

The objectives seen in the light of **SMART criteria**:

Specific: Further develop the efficiency of Short Sea Shipping and its integration in multimodal logistics chains door to door.

Measurable: Can be measured in terms of the annual growth of Short Sea Shipping; number of abolished concrete bottlenecks; political priority given to Short Sea Shipping; and industry interest.

Accepted: The consultations on the Programme for the Promotion of Short Sea Shipping clearly show that both the Member States and industry support the Community promotion policy (see the results of consultations above under chapter 1.2.4).

Realistic: Short Sea Shipping is currently the only mode that has growth rates comparable to those of road transport. Between 1995 and 2004, the tonne-kilometre performance of Short Sea Shipping in the EU-25 grew by 32 %, while road performance grew by 35 %. The original list of bottlenecks (161)

²⁸ See footnote 9.

²⁹ See footnote 12.

has been reduced to 35 today. The political and business momentum has been maintained.

Timed: The actions in the original Promotion Programme of 2003 indicate specified deadlines that have been followed.

3.2. Consistency of the objectives

The Community policy to promote Short Sea Shipping is fully in line with the objectives of the Lisbon agenda (prosperity and competitiveness; improving the regulatory environment; minimising costs of regulation to the business community) and the mid-term review of the White Paper on European Transport Policy (co-modality, competitiveness, sustainability, safety, bypassing land bottlenecks).

Maritime transport has higher energy-efficiency than other modes of transport and is, in general, less harmful to the environment. Increased use of Short Sea Shipping would generally be in line with the Community transport and environmental policies.

The Programme for the Promotion of Short Sea Shipping has been successful and shows that results can be achieved when everyone has the same aim.

SECTION 4: POLICY OPTIONS

4.1. Possible options for meeting the objectives and tackling the problem

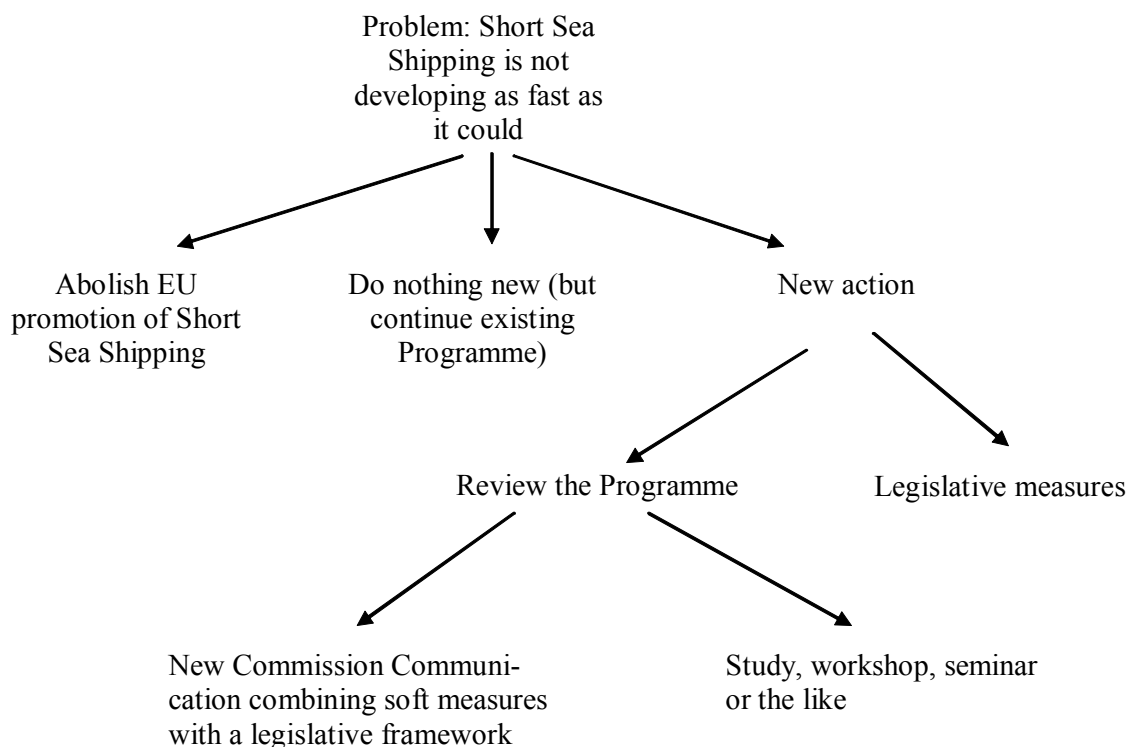
There are five possible options. These are:

- Abolish EU promotion of Short Sea Shipping and end political support and practical Community promotion;
- Do nothing new, but continue work based on the 2003 Programme for the Promotion of Short Sea Shipping without presenting a review of the Programme or new or retargeted measures;
- Not review the Programme for the Promotion of Short Sea Shipping but present legislative initiatives to improve the position of Short Sea Shipping in the modal split without the support of targeted soft measures;
- Review the Programme for the Promotion of Short Sea Shipping through a study to be prepared by a consultant, a seminar, a workshop or the like. This entails not presenting a Commission Communication reviewing the Programme;
- Review the 2003 Programme for the Promotion of Short Sea Shipping by presenting a Commission Communication that combines new and retargeted soft measures with a legislative framework.³⁰ This legislative framework

³⁰ A combination of soft and legislative actions has so far constituted the basic approach to developing Short Sea Shipping. These actions help promote Short Sea Shipping, streamline administrative and Customs procedures, improve the environmental impact of the mode, eliminate obstacles to its growth, and improve the land/sea interface. The 2003 Programme for the Promotion of Short Sea Shipping was a soft measure referring to and co-ordinating a number of ongoing or planned legislative measures or

contains initiatives that might or might not already be in place or in the legislative process (such as Directive 2002/6/EC³¹ – IMO FAL, amending the annexes to Directive 2002/6/EC under a comitology procedure, Regulation (EC) 1382/2003 – Marco Polo³², proposals for Marco Polo II³³ and intermodal loading units³⁴, etc.).

In the form of a tree of options and instruments, this could be described as:



These options will be assessed against a baseline (neutral option) which is the situation in 2006 until possible new action. This option has been chosen as the baseline because it is a stable scenario, while choosing the “do nothing new” option (to continue the current Promotion Programme) would be a moving target which, as such, can reasonably also be compared against this baseline as an option.

proposals. Presenting a Commission Communication reviewing the 2003 Promotion Programme should be based on the same principles.

It cannot be ruled out that some of the actions mentioned in the review, such as bottlenecks (action No. 7 of the original Programme), might lead to legislative action in the future. Furthermore, a separate legislative action is planned to be taken in the area of uniform reporting formalities for ships (IMO FAL – action No. 1 of the original Programme) under a comitology procedure.

This leads to a conclusion that any intermediate options for the Commission Communication containing soft measures alone or legislative measures alone are not real options for “Reviewing the 2003 Programme”.

³¹

See footnote 9.

³²

See footnote 11.

³³

See footnote 27.

³⁴

See footnote 12.

4.2. Discarding certain options

4.2.1. *Not review the Programme for the Promotion of Short Sea Shipping but present legislative initiatives to improve the position of Short Sea Shipping in the modal split without the support of targeted soft measures*

This option would be premature and not constitute an optimal solution at this point in time. The Programme for the Promotion of Short Sea Shipping has been running only for a short period and seems to be working in the right direction on the basis of mainly soft measures. Legislative action could not solve the lack of awareness of simplified possibilities offered by EU law (e.g. Customs law). This also applies to the lack of awareness of the opportunities that Short Sea Shipping can offer. The Commission has already presented proposals on intermodal loading units³⁵ and Marco Polo II³⁶ with a new action on Motorways of the Sea. Moreover, Directive 2002/6/EC (IMO FAL)³⁷ is in place. Furthermore, Short Sea Shipping is a horizontal policy which is influenced by a number of other policies, such as Customs and environmental policies. Legislative action or initiatives that have a direct bearing on Short Sea Shipping have been recently taken under these associated policies. The impact of these actions will have to be evaluated before any legal action could be considered purely for Short Sea Shipping. New legal action, until this can be closely targeted, would not have the desired impact.

Shipping is a business activity where it is of utmost importance to have the business community supporting any actions taken. Without such support, this option alone could lead to losing the current support where the Commission, Member States, industry and Shortsea Promotion Centres all work together towards a common aim. Such a loss of support could result in stagnation, decrease the share and effectiveness of Short Sea Shipping and, consequently, lead to negative impacts in most, if not all, areas.

4.2.2. *Review the Programme for the Promotion of Short Sea Shipping through a study to be prepared by a consultant, a seminar, a workshop or the like. This entails not presenting a Commission Communication reviewing the Promotion Programme*

This option would have a generally positive but very short-term impact. The impacts from short to medium-term would coincide with the option “do nothing new” (see below for the impacts of this option) where the promotion of Short Sea Shipping would continue based on the ongoing Programme for the Promotion of the mode without new initiatives.

A study reviewing progress would not lead to concrete measures on its own without further initiatives, such as the Commission presenting a policy Communication or legislative proposals. This process might lead to a conclusion that certain actions have already been fully accomplished, but would not allow new actions or measures to be put in place (e.g. concerning Motorways of the Sea, Shortsea Promotion Centres and the image of the mode).

Furthermore, part of this review activity would take place anyhow, because progress on Short Sea Shipping is discussed regularly with the Short Sea Shipping Focal Points, Shortsea Promotion Centres and industry in their regular meetings chaired by the Commission.

³⁵ See footnote 12.

³⁶ See footnote 27.

³⁷ See footnote 9.

SECTION 5: ANALYSIS OF IMPACTS

5.1. Likely economic, social and environmental impacts of short-listed options

The short-listed options are:

- Abolish EU promotion of Short Sea Shipping and end the political support and practical promotion;
- Do nothing new, but continue work based on the 2003 Programme for the Promotion of Short Sea Shipping. This option entails not presenting a review of the Programme;
- Review the 2003 Programme for the Promotion of Short Sea Shipping by presenting a Commission Communication that combines new and retargeted soft measures with a legislative framework.

The more precise impacts and indicators to be looked into under each of these options are as follows:

- economic impact: *competitiveness, operating costs, consumer costs, and macroeconomic environment*;
- social impact: *employment and public health*;
- environmental impact: *air and soil quality, climate change, land use, and consumption of energy*.

The evaluation criteria used to assess impacts are: positive (++), slightly positive (+), neutral (0), slightly negative (-) and negative (--).

The time perspective under each option and indicator is considered to be from short to medium-term since this was the perspective for the original Programme for the Promotion of Short Sea Shipping in 2003.

A detailed evaluation of actions that were introduced in the Promotion Programme and have been carried out for three years now is not feasible, because this impact assessment is not an impact assessment of the original Promotion Programme but of subsequent decisions. Nevertheless, using “abolish EU promotion of Short Sea Shipping” as an option might indirectly give indications that are relevant to such an evaluation.

Further to the overall impacts of the general approach, the impacts of possible new measures or actions, or changes to the existing ones that could be taken will have to be assessed separately based on the short-listed options.

5.1.1. Overall impacts of the general approach

- Abolish EU promotion of Short Sea Shipping

This option would give less visibility to Short Sea Shipping and slow down its progress thus negatively affecting all the parties. It would decrease or abolish the current co-operation between the Member States, industries, Short Sea Promotion Centres and the Commission. It

would not allow designing or targeting actions or solving specific problems; it would not help avoid unnecessary duplication, or foster replication, synergy and sharing of know-how. Short Sea Shipping would not be able to play its full role in Europe's transport system. Without concrete promotion and keeping the mode high on the political agenda, the share of the mode could decrease. Motorways of the Sea would lose the supporting structure of Short Sea Shipping.

- economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): negative. European competitiveness could suffer in light of the limited infrastructure resources available, if all the modes would not play their full role in co-modality. Competitiveness of Short Sea Shipping would decrease, because promotion and simplification would cease. Work on solving obstacles to developing the mode would end leading to higher operating costs and, ultimately, to higher transport prices for the customer. Delays could increase owing to obstacles. European shipyards could suffer. New technological or logistics solutions might not be created for the mode thereby decreasing its competitiveness and worsening its macroeconomic environment.
 - social impact (*employment, public health*): negative. Loss of competitiveness in Short Sea Shipping and decreased use of the mode could lead to less maritime-related employment. Young people might be less attracted to the profession. The external social effects of transport would not be relieved (congestion, accidents and noise).
 - environmental impact (*air and soil quality, climate change, land use, consumption of energy*): negative. Short Sea Shipping is energy-efficient, and produces less CO₂ per tonne-kilometre and has lower effect on global warming than other modes. A less prominent role of the mode in Europe would decrease these positive trends. Research in new environmentally friendly technologies for Short Sea Shipping might decrease. Sea is an open infrastructure which requires much less land use planning than inland transport modes.
- Do nothing new, but continue work based on the 2003 Programme for the Promotion of Short Sea Shipping. This option entails not presenting a Commission Communication reviewing the 2003 Promotion Programme

This option would continue the co-operation between the Member States, industry, Short Sea Promotion Centres and the Commission. It would continue the visibility of Short Sea Shipping but would not create new incentives to progress. Most actions presented in 2003 would continue, but certain actions of 2003 have already been exhausted and could not be continued. This option would decrease established synergies and slow down the favourable tail-wind that Short Sea Shipping is currently enjoying.

- economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): from neutral to slightly negative. This option could lead to stagnation in the promotion policy, because Short Sea Shipping would lose the momentum. Promotion of Motorways of the Sea would become less active (the particular action No. 4 in the Promotion Programme has been completed). The same would happen to uniformity of reporting formalities (action No. 1 - IMO FAL). This could have a slightly negative impact on competitiveness and from neutral to slightly negative on the other indicators.

- social impact (*employment, public health*): from neutral to slightly negative. Stagnation and slight loss of short-sea competitiveness could lead to slight negative impacts on maritime employment and the external social impacts of transport (congestion, road accidents and noise).
- environmental impact (*air and soil quality, climate change, land use, consumption of energy*): from neutral to slightly negative, partly for the same reasons as above (see the economic and social impacts). This option would not change the situation reflected in the Commission Communication on a Thematic Strategy on Air Pollution³⁸ which states that “the Commission intends to [...] ensure that low-emission operation is effectively applied as a criterion for EU funding programmes [...]”.
- Review the 2003 Programme for the Promotion of Short Sea Shipping by presenting a Commission Communication that combines new and retargeted soft measures with a legislative framework

This option would enhance co-operation between the Member States, industries, Short Sea Promotion Centres and the Commission. A Commission Communication reviewing the 2003 Programme for the Promotion of Short Sea Shipping would represent a new momentum. The option would increase the visibility of Short Sea Shipping, put it higher on the political and business agendas, and target the work of scarce resources onto core areas thus increasing added value. The work started in 2003 would continue and be better targeted. New needs that have appeared since 2003 would be addressed. The important action on Motorways of the Sea would be re-aligned with the latest developments. The work of the Shortsea Promotion Centres would intensify and have a new target. This option would result in dynamism, improve synergies and reinforce the favourable economic climate and tail-wind that Short Sea Shipping is currently enjoying.

- economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): positive. European competitiveness could gradually increase because the open infrastructure of the sea offers new opportunities for co-modality. Competitiveness of Short Sea Shipping might also increase with the thrust that a Commission Communication reviewing the 2003 Promotion Programme and possibly introducing new actions or retargeting existing ones will create. Synergies between promoting Short Sea Shipping and inland multimodality could become a reality with added value. Co-ordination and efficiency could be enhanced. Work on solving obstacles to developing the mode would continue to produce tangible results. Short-sea promotion activities would be better targeted to the core issues and have additional added value and societal benefits. The macroeconomic environment could improve.
- social impact (*employment, public health*): from neutral to slightly positive. Maritime-related employment could improve. Young people would be more attracted to the profession owing to increased promotion in this area. Short Sea Shipping is a feasible alternative for young Europeans. Slightly positive impact might take place in relations to the external social impacts of road transport (congestion, accidents and noise).

³⁸ Thematic Strategy on Air Pollution, COM(2005) 466 final, 21.9.2005.

- environmental impact (*air and soil quality, climate change, land use, consumption of energy*): from neutral to slightly positive. Short Sea Shipping is energy-efficient and produces less CO₂ per tonne-kilometre than other modes. It has lower effect on global warming than other modes. Lifting the mode higher in the political and business agendas might slightly increase these positive trends. Research on new environmentally friendly technologies for Short Sea Shipping should intensify. Sea is an open infrastructure which requires less land use planning than inland transport modes.

Economic impact (Overall impacts)				
	Competitiveness	Costs	Macroeconomic environment	
Abolish EU promotion	--	-	--	
Do nothing new	-	0/-	0/-	
Review the 2003 Promotion Programme by presenting a Commission Communication	+	+	0/+	
Social impact (Overall impacts)				
	Employment	Public health		
Abolish EU promotion	-	--		
Do nothing new	0/-	0/-		
Review the 2003 Promotion Programme by presenting a Commission Communication	0/+	0/+		
Environmental impact (Overall impacts)				
	Air and soil quality	Climate change	Land use	Energy consumption
Abolish EU promotion	--	--	-	-
Do nothing new	0/-	0/-	0	0/-
Review the 2003 Promotion Programme by presenting a Commission Communication	0/+	0/+	0	0/+

5.1.2. *Specific impacts of possible new actions or measures*

5.1.2.1. *Amending annexes to the Directive on certain reporting formalities for ships to arrive in and/or depart from ports in the Member States (IMO-FAL)*

This action, as it was described in the 2003 Programme for the Promotion of Short Sea Shipping, has almost been completed. A new target could be set for bringing the annexes to the Directive in line with the IMO measures adopted at the 32nd session of the FAL Committee when these have entered into force.

In all options below it is understood that the Commission would propose amendments to the annexes to the Directive in any case.

- Abolish EU promotion of Short Sea Shipping
 - economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): from neutral to slightly negative because Directive 2002/6 might lose priority and European image could suffer because the Directive shows an example to the rest of the world of a using the IMO FAL forms in their standard formats and layouts. This message would have less weight. Competitiveness would not be affected. The Member States would have some marginal costs in handling two different sets of documents for a limited period. Extra costs would not occur for industry or the consumer. The impact on the macroeconomic environment could be slightly negative.
 - social impact (*employment, public health*): neutral (no change).
 - environmental impact (*air and soil quality, climate change, land use, consumption of energy*): neutral (no change).
- Do nothing new, but continue work based on the 2003 Programme for the Promotion of Short Sea Shipping. This option entails not presenting a Commission Communication reviewing the 2003 Promotion Programme

Basically the same impacts as for the previous option (the action has almost been completed in the Promotion Programme). However, the economic impact might be slightly more towards neutral because certain promotion of uniform reporting formalities would still take place under the overall policy to promote Short Sea Shipping.

- Review the 2003 Programme for the Promotion of Short Sea Shipping by presenting a Commission Communication that combines new and retargeted soft measures with a legislative framework
 - economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): from neutral to slightly positive. The international approach would remain consistent and could be promoted. Including an update of the IMO FAL Directive in the Commission Communication reviewing the 2003 Promotion Programme could also give a positive signal to industry that the EU is serious about solving identified obstacles and updating this work. Member States would have to change their legislation which might entail some limited costs to the Member States. Co-ordination and efficiency could be enhanced. Extra costs would

not occur for industry or the consumer. Uniformity of formalities would continue to be an important part of short-sea promotion.

- social impact (*employment, public health*): neutral (no change).
- environmental impact (*air and soil quality, climate change, land use, consumption of energy*): neutral (no change).

Economic impact (Amending annexes to the IMO-FAL Directive)				
	Competitiveness	Costs	Macroeconomic environment	
Abolish EU promotion	0	0	0/-	
Do nothing new	0	0	0	
Include this action in the option 'Review the 2003 Promotion Programme'	0	0	0/+	
Social impact (Amending annexes to the IMO-FAL Directive)				
	Employment		Public health	
Abolish EU promotion	0		0	
Do nothing new	0		0	
Include this action in the option 'Review the 2003 Promotion Programme'	0		0	
Environmental impact (Amending annexes to the IMO-FAL Directive)				
	Air and soil quality	Climate change	Land use	Energy consumption
Abolish EU promotion	0	0	0	0
Do nothing new	0	0	0	0
Include this action in the option 'Review the 2003 Promotion Programme'	0	0	0	0

5.1.2.2. Making Motorways of the Sea operational and establishing a ‘Motorways of the Sea Quality Label’

The current action, as it was described in the Programme for the Promotion of Short Sea Shipping, has been completed³⁹ and Motorways of the Sea defined. A new target could be set to for practical work on making high-quality Motorways of the Sea operational and extending the concept to a quality label for logistics excellence in Short Sea Shipping.

- Abolish EU promotion of Short Sea Shipping
 - economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): negative. If Motorways of the Sea are not promoted, less of them might emerge, they might collect less cargo, and their viability would be weaker. European shipyards would benefit less from constructing special vessels for Motorways of the Sea. European logistics would have a new but less visible maritime initiative. Bottlenecks would not be actively solved. Cost of transport might grow with increasing congestion and road pricing. Logistics excellence in Short Sea Shipping would not be promoted. This could affect negatively all the indicators under this impact.
 - social impact (*employment, public health*): slightly negative. The attractiveness of maritime-related professions could suffer. Maritime-related employment could suffer. Congestion, accidents, noise and related external costs might not be reduced.
 - environmental impact (*air and soil quality, climate change, land use, consumption of energy*): slightly negative. Additional shift from road to sea would not take place. The environment would be negatively affected. Sensitive areas (e.g. the Alps and Pyrenees) would suffer more from transport activities. The positive aspect of Short Sea Shipping being energy-efficient and producing less CO₂ and having a lower effect to global warming would appear to a lesser extent.
- Do nothing new, but continue work based on the 2003 Programme for the Promotion of Short Sea Shipping. This option entails not presenting a Commission Communication reviewing the 2003 Promotion Programme
 - economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): from neutral to slightly negative, because no specific new action would be taken to implement Motorways of the Sea (the action in the Promotion Programme containing the definition of the concept has been exhausted). This would have a stagnation effect. However, since the concept is part of Short Sea Shipping, limited promotion activities could be taken outside the 2003 Promotion Programme, and the general work towards solving short-sea bottlenecks would continue. However, logistics excellence in Short Sea Shipping would not be recognised at European level and the related exchange of best practise would not materialise.

³⁹ The action in the 2003 Promotion Programme reads: “Finalise deliberations on the Motorways of the Sea to make adherence to them attractive to the market players with a view to fulfilling the objectives of the White Paper.”.

- social impact (*employment, public health*): from neutral to slightly negative because of the same reasons as above (see the economic impact).
- environmental impact (*air and soil quality, climate change, land use, consumption of energy*): from neutral to slightly negative for the same reasons as above (see the economic and social impacts).
- Review the 2003 Programme for the Promotion of Short Sea Shipping by presenting a Commission Communication that combines new and retargeted soft measures with a legislative framework.
 - economic impact: positive, because complementary promotion measures could help Motorways of the Sea become a reality. The planning and concept development that they represent could be enhanced. Solving short-sea bottlenecks could intensify. With an action tying the legislative framework to Motorways of the Sea closer to Short Sea Shipping policy, credibility and success rates of Motorways of the Sea should increase. More Motorways of the Sea might emerge owing to the promotion of co-operation between the parties, they might be able to concentrate more cargo and be viable. Co-ordination and efficiency could be enhanced. European logistics would have a new, visible maritime initiative. Furthermore, recognising logistics excellence in Short Sea Shipping would raise the profile of the mode and have a considerable positive impact. Transport costs might be positively affected.
 - social impact: from neutral to slightly positive because of increased employment opportunities on Motorways of the Sea. Furthermore, the attractiveness of maritime-related professions could grow. Congestion, accidents and noise might be reduced.
 - environmental impact: from neutral to slightly positive. Implementation and further promotion of Motorways of the Sea could help shift transport to the sea leg thereby decreasing negative effect on the environment and sensitive areas. The environment would be positively affected. The positive aspects of Short Sea Shipping being energy-efficient, producing less CO₂ and having a lower effect on global warming would be enhanced. Furthermore, the Thematic Strategy on Air Pollution⁴⁰ notes that “the Commission intends to [...] ensure that low-emission operation is effectively applied as a criterion for EU funding programmes, , including [...] Motorways of the Sea”.

Economic impact (Making Motorways of the Sea operational)			
	Competitiveness	Costs	Macroeconomic environment
Abolish EU promotion	--	--	--
Do nothing new	0/-	0/-	0/-
Include this action in the option ‘Review the 2003	+	0/+	+

⁴⁰ See footnote 38.

Promotion Programme'				
Social impact (Making Motorways of the Sea operational)				
	Employment		Public health	
Abolish EU promotion	-		-	
Do nothing new	0/-		0/-	
Include this action in the option 'Review the 2003 Promotion Programme'	0/+		0/+	
Environmental impact (Making Motorways of the Sea operational)				
	Air and soil quality	Climate change	Land use	Energy consumption
Abolish EU promotion	-	-	0/-	-
Do nothing new	0/-	0/-	0	0/-
Include this action in the option 'Review the 2003 Promotion Programme'	0/+	0/+	0/+	0/+

5.1.2.3. Extending the scope of Shortsea Promotion Centres towards multimodality in inland logistics solutions

The current action has not been completed (i.e. to ensure good functioning of and guidance to Shortsea Promotion Centres).

For the purposes of this impact assessment, a new measure could be introduced (i.e. to extend the scope of Shortsea Promotion Centres towards promoting inland multimodality in the logistics chain).

- Abolish EU promotion of Short Sea Shipping
 - economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): negative, because the promotion of Short Sea Shipping would end and so would guidance and support to the Short Sea Promotion Centres. Targeted collection of bottlenecks with possible solutions would cease increasing friction costs and delays. Competitiveness of Short Sea Shipping in the European transport system would stagnate. Societal benefits from promotion would not materialise any more. Tonne-kilometres that promotion could shift from the road would stay on the road.⁴¹ The macroeconomic environment would not improve.

⁴¹ See: Integrated Services in the Intermodal Chain (ISIC): Task G: A Socio-economic CBA for the ISIC actions, Final report, ECORYS Transport, November 2005.

- social impact (*employment, public health*): negative. The attractiveness of maritime-related professions amongst young people might suffer and maritime-related employment opportunities might be negatively affected. The financial perspectives of the Shortsea Promotion Centres would worsen without political backing. External impacts of road transport would not decrease (congestion, accidents and noise).
- environmental impact (*air and soil quality, climate change, land use, consumption of energy*): negative, because promotion would no longer be attracting trucks to sea. Short Sea Shipping is energy-efficient and produces less CO₂ per tonne-kilometre than other modes. It also contributes to global warming less than other modes.
- Do nothing new, but continue work based on the 2003 Programme for the Promotion of Short Sea Shipping. This option entails not presenting a Commission Communication reviewing the 2003 Promotion Programme
 - economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): from neutral to slightly negative. There would be no major change to the current situation. However, a stagnation effect could arise thus negatively affecting all the indicators.
 - social impact (*employment, public health*): from neutral to slightly negative for the same reason as above (see the economic impact).
 - environmental impact (*air and soil quality, climate change, land use, consumption of energy*): neutral (no change).
- Review the 2003 Programme for the Promotion of Short Sea Shipping by presenting a Commission Communication that combines new and retargeted soft measures with a legislative framework
 - economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): positive. It has been estimated that multimodal promotion can contribute to shifting tonne-kilometres off the road. There might also be very attractive benefit-cost ratios in relation to outcome of promotion, meaning that the net present value of all societal benefits is greater than the net present value of the costs involved.⁴² Targeted collection of bottlenecks with possible solutions would be done on a larger scale. Establishment of connected services could speed up. Co-ordination and efficiency could be enhanced. With the introduction of new multimodal services, cost might decrease.⁴³ Competitiveness of multimodality and of the overall European transport system would increase. The macroeconomic environment could improve.
 - social impact (*employment, public health*): from neutral to slightly positive. Growth of multimodality through promotion can help increase employment, attract young people to the profession, and decrease external social impacts of road transport (congestion, accidents and noise).

⁴² Idem.

⁴³ Idem.

- environmental impact (*air and soil quality, climate change, land use, consumption of energy*): from neutral to slightly positive. Growth of multimodality through promotion can help decrease the external environmental impact of road transport (e.g. in terms of CO₂ and global warming). Low-emission operation in shipping⁴⁴ could also be promoted. In terms of land use and consumption of energy, the impacts might be more neutral.

Economic impact (Extending the scope of SPCs to multimodality in inland logistics solutions)				
	Competitiveness	Costs	Macroeconomic environment	
Abolish EU promotion	--	-	--	
Do nothing new	-	0/-	-	
Include this action in the option 'Review the 2003 Promotion Programme'	+	+	+	
Social impact (Extending the scope of SPCs to multimodality in inland logistics solutions)				
	Employment		Public health	
Abolish EU promotion	--		--	
Do nothing new	0/-		0	
Include this action in the option 'Review the 2003 Promotion Programme'	0/+		0/+	
Environmental impact (Extending the scope of SPCs to multimodality in inland logistics solutions)				
	Air and soil quality	Climate change	Land use	Energy consumption
Abolish EU promotion	--	--	-	--
Do nothing new	0	0	0	0
Include this action in the option 'Review the 2003 Promotion Programme'	+	+	0	0/+

⁴⁴ See footnote 38.

5.1.2.4. *Re-targeting the image of Short Sea Shipping*

The current action will continue to improve the image of Short Sea Shipping. For the purposes of this impact assessment, the closer targeting of this action towards improving the integration of the mode in the multimodal logistics supply chain will be assessed.

- Abolish EU promotion of Short Sea Shipping
 - economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): negative, because the promotion of Short Sea Shipping would end. The image of the mode would suffer. Competitiveness of Short Sea Shipping would decrease. Work on solving obstacles to developing the mode would end and lead to higher friction costs and, ultimately, to higher transport prices for the end consumer. Delays could increase due to obstacles. The macroeconomic environment would suffer.
 - social impact (*employment, public health*): slightly negative. Young people would be less attracted to maritime-related professions. Maritime-related employment might suffer. External effects of road transport would not decrease (congestion, accidents, noise).
 - environmental impact (*air and soil quality, climate change, land use, consumption of energy*): slightly negative. The positive effects of Short Sea Shipping (low energy consumption per tonne-kilometre, land use, less CO₂ emissions and less global warming) could become less prominent.
- Do nothing new, but continue work based on the 2003 Programme for the Promotion of Short Sea Shipping. This option entails not presenting a Commission Communication reviewing the 2003 Promotion Programme
 - economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): from neutral to slightly negative, because certain stagnation in promotion could occur over time thus affecting all indicators slightly negatively.
 - social impact (*employment, public health*): from neutral to slightly negative because of the same reasons as above (see the economic impact).
 - environmental impact (*air and soil quality, climate change, land use, consumption of energy*): from neutral to slightly negative because of the same reasons as above (see the economic and social impacts).
- Review the 2003 Programme for the Promotion of Short Sea Shipping by presenting a Commission Communication that combines new and retargeted soft measures with a legislative framework
 - economic impact (*competitiveness, operating costs, consumer costs and macroeconomic environment*): slightly positive. The scarce resources available for promotion would be used in an optimal way to target the core issues. Targeted promotion would have more added value and benefit the society. It could shift

additional tonne-kilometres off the road. The net present value of all societal benefits should be greater than the net present value of the costs involved.⁴⁵ The integration of Short Sea Shipping in the multimodal chain would improve, thus increasing European competitiveness. Co-ordination and efficiency could be enhanced.

- social impact (*employment, public health*): slightly positive. Targeted promotion can better help increase employment, attract young people to the profession and decrease the external social impact of road transport (congestion, accidents and noise).
- environmental impact (*air and soil quality, climate change, land use, consumption of energy*): slightly positive. Targeted promotion could help increase the use of the mode and decrease the external environmental effects of road transport (e.g. in terms of CO₂ and global warming, land use, and energy consumption). It can also promote low-emission operations in shipping⁴⁶.

Economic impact (Re-targeting the image of Short Sea Shipping)				
	Competitiveness	Costs	Macroeconomic environment	
Abolish EU promotion	--	-	--	
Do nothing new	0/-	0	0/-	
Include this action in the option 'Review the 2003 Promotion Programme'	+	0/+	+	
Social impact (Re-targeting the image of Short Sea Shipping)				
	Employment	Public health		
Abolish EU promotion	-	-		
Do nothing new	0	0/-		
Include this action in the option 'Review the 2003 Promotion Programme'	0/+	+		
Environmental impact (Re-targeting the image of Short Sea Shipping)				
	Air and soil quality	Climate change	Land use	Energy consumption
Abolish EU promotion	-	-	0/-	-
Do nothing new	0/-	0/-	0	0/-

⁴⁵ Idem.

⁴⁶ See footnote 38.

Include this action in the option 'Review the 2003 Promotion Programme'	+	+	0/+	+
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SECTION 6: COMPARING THE OPTIONS

6.1. Summary of impacts

The following tables compare the short-listed options so as to allow consideration of the strengths and weaknesses of each of the policy options.

The weighting factor used for each impact and indicator is one.

6.1.1. Overall impacts

Summary table of impacts (Overall impacts)			
	Economic impact	Social Impact	Environmental impact
Abolish EU promotion	--	-/--	-/--
Do nothing new	0/-	0/-	0/-
Review the 2003 Promotion Programme by presenting a Commission Communication	+	0/+	0/+

6.1.2. Specific impacts of possible new actions or measures

6.1.2.1. Amending annexes to the Directive on certain reporting formalities for ships to arrive in and/or depart from ports in the Member States (IMO-FAL) – new action

Summary table of impacts (Amending annexes to the IMO-FAL Directive)			
	Economic impact	Social Impact	Environmental impact
Abolish EU promotion	0/-	0	0
Do nothing new	0/-	0	0
Include this action in the option 'Review the 2003 Promotion Programme'	0/+	0	0

6.1.2.2. Making Motorways of the Sea operational – new action

Summary table of impacts (Making Motorways of the Sea operational)			
	Economic impact	Social Impact	Environmental impact
Abolish EU promotion	--	-	-
Do nothing new	0/-	0/-	0/-
Include this action in the option 'Review the 2003 Promotion Programme'	+	0/+	0/+

6.1.2.3. Extending the scope of Shortsea Promotion Centres (SPCs) to multimodality in inland logistics solutions – new action

Summary table of impacts (Extending the scope of SPCs to multimodality in inland logistics solutions)			
	Economic impact	Social Impact	Environmental impact
Abolish EU promotion	--	--	--
Do nothing new	-	0/-	0
Include this action in the option 'Review the 2003 Promotion Programme'	+	0/+	0/+

6.1.2.4. Re-targeting the image of Short Sea Shipping – re-targeted action

Summary table of impacts (Re-targeting the image of Short Sea Shipping)			
	Economic impact	Social Impact	Environmental impact
Abolish EU promotion	--	-	-
Do nothing new	0/-	0/-	0/-
Include this action in the option 'Review the 2003 Promotion Programme'	+	0/+	+

6.2. Ranking the options

RANKING THE OPTIONS	
	Aggregated impacts in total
Abolish EU promotion action	-/--
Do nothing new	0/-
Review the 2003 Promotion Programme by presenting a Commission Communication	+

6.3. The preferred option

The preferred option that has clear added value over the other options is to review the 2003 Programme for the Promotion of Short Sea Shipping by presenting a Commission Communication that combines new and retargeted soft measures with a legislative framework.

SECTION 7: MONITORING AND EVALUATION

7.1. Core indicators of progress⁴⁷

The last Spanish and Dutch Presidencies (2002 and 2004 respectively) gave a priority to Short Sea Shipping and organised informal meetings of EU Transport Ministers on the subject. The Finnish Presidency (second half 2006) has announced that Short Sea Shipping will constitute a Presidency priority.

It is important for the Member States, industry and Short Sea Promotion Centres to learn about the overall progress achieved and target further actions. This will, on the one hand, encourage the development of Short Sea Shipping and, on the other, help concentrate on solving the main problem areas.

The core indicator of progress is to maintain the positive tail wind that Short Sea Shipping is currently enjoying.

Progress on the development of Short Sea Shipping could be measured by the relative growth of the mode in relation to road transport. Currently the growth of Short Sea Shipping is very close to that of road.

Another plausible measurement could be the weight that Member States give to Short Sea Shipping in their transport policy. This weight is currently substantial. Also the priority the Member States give to Motorways of the Sea projects under the TEN-T vis-à-vis other modes could be considered in this context.

A further measurement could be the level of acceptance of the actions to promote Short Sea Shipping. This acceptance is currently high.

⁴⁷ See also the SMART criteria under chapter 3.1 above.

A reasonable measurement could also be the progress achieved in different actions of the 2003 Promotion Programme. Currently the Programme is more than half-way to completion.

7.2. Broad outline for possible monitoring and evaluation

The Commission, together with the Member States, industry and Shortsea Promotion Centres will continue encouraging the mode, following progress and evaluating the results of the Programme for the Promotion of Short Sea Shipping. This will be done in regular meetings of the Short Sea Shipping Focal Point, industry and Shortsea Promotion Centres chaired by the Commission.

A further Communication can be expected in 2008 drawing conclusions of the Programme and showing the way forward.

Ministerial Conference on the Motorway of the Sea

Ljubljana, Slovenia, 24 January 2006

Conclusions adopted by the Conference

- Maritime transport is the backbone of international trade and it offers a great potential to enhance intra-community commercial exchanges. Our economies need reliable and efficient maritime links. Any policy for enhancing them has to be in line with the needs of industry. The European maritime industry already successfully operates a number of such links based upon market demand.
- “Motorways of the Sea“ is a new concept in European transport policy which will build upon this experience. They are set up in order to combine the efforts to promote modal shift and cohesion and improve maritime links, taking into account initiatives by Member States and by the Commission.
- The ambitious objectives of high quality Motorways of the Sea to concentrate the flow of goods in maritime-based logistic links requires very good preparation that should include the following elements:
 - the identification of maritime links that have the potential to become Motorways of the Sea, on the basis of the analysis of existing or new and viable maritime links, that are regular and frequent, to reduce road bottlenecks and/or improve the access to insular or peripheral regions and States. This must take account of traffic demand and corresponding market studies as well as the social and environmental impacts;
 - a systematic analysis of the needs of social and economic actors that should be made aware of the advantages offered by these new maritime links which can only become viable where there is a commitment to use them;
 - the identification of the criteria and needs for the implementation of the Motorways of the Sea, essential for the identification of ports to be integrated into the logistic chain of the Motorways of the Sea, taking into account the characteristics of each Motorway of the Sea corridor;
 - measures that should lead to a concentration in the traffic on the Motorways of the Sea ports or port regions and links which are, very important for the viability of the Motorways of the Sea. These include the selection of Motorways of the Sea links in conformity with the TEN-T Regulation and by using quality criteria. Here, the impact on competition requires close attention, in particular for existing maritime links. Therefore any selection made should be open and transparent;
 - the in-depth analysis of the Motorways of the Sea projects from a financial, legal and technical point of view and coordination of community, national, regional and

private sector investments for financing the implementation of the Motorways of the Sea;

- the removal of the remaining obstacles that hinder the development of Motorways of the Sea, e.g. by reducing administrative burdens for customs and inspections and by developing electronic one stop shops;
 - the use where appropriate of the existing possibility of alternative security agreements for short sea shipping as provided for in Regulation (EC) N° 725/2004, guaranteeing an adequate level of protection, while decreasing the administrative burden;
- The Motorways of the Sea should preferably also include inland rail and/or inland waterways freight transport services thereby contributing to more sustainable and integrated door-to-door services;
 - Quality Motorways of the Sea require new state of the art technology which, if included and promoted accordingly, will attract young people to the maritime profession;
 - The cooperation between the Member States concerned by the Motorways of the Sea corridors should be developed for instance through Memoranda of Understanding or through master plans for these corridors. It is also important to ensure a good exchange of information between actors involved in the preparation of the different Motorways of the Sea corridors in order to maintain coherence of the overall approach;
 - Member States are urged to give a clear priority to the Motorways of the Sea in the framework of the TEN-T programming and to involve the private sector in order to turn the concept of the Motorways of the Sea into concrete initiatives The Commission will present in 2007 the first list of specific Motorways of the Sea projects of common interest, resulting from the selection of projects submitted by the Member States in the framework of the TEN-T programme;
 - It is desirable to organise in due course an event at Ministerial level in order to evaluate the progress made with the preparation and the implementation of the Motorways of the Sea and to ensure adequate EU funding for the implementation of the Motorways of the Sea;
 - Given the importance of the Motorways of the Sea and the complexity of implementation, the nomination is welcome of a European co-ordinator to act as a facilitator and to help with the development of a coherent strategy for the implementation of the Motorways of the Sea;
 - The national and regional public authorities should support the extension of the mandate of the national centres for the promotion of short Sea shipping to include the aspects of intermodality and become also centres for the promotion of intermodal transport and contribute in this context to the Motorways of the Sea;
 - The Commission, for its part, will take concrete initiatives to enable exchange of information, to identify and promote good practise and to regularly take stock of progress made;

- The Member States and the Commission reiterate the importance of the Presidency Conclusions of the Informal Transport Council, Amsterdam, 10 July 2004 on short sea shipping in the enlarged European Union as a determinant factor for the success of the Motorways of the Sea.

Explanation of the degree up to which the actions of the 2003 Promotion Programme have been completed

1. *Directive on certain reporting formalities for ships to arrive in and/or depart from ports in the Member States (IMO-FAL)*

Action No. 1 in the Promotion Programme is almost complete.

Measures mentioned in the 2003 Promotion Programme

1. Follow up and ensure compliance with the Directive as well as its proper functioning.

Comment: Almost fully complete. Transposition of the Directive into national legislation is almost complete.

2. Simplify the transfer into the new framework by providing on the Commission's public Short Sea Shipping Internet site IMO FAL forms that are accessible to all and that can be downloaded, filled in on the computer and/or printed out for immediate use.

Comment: Complete. The Commission has made information on the FAL forms publicly available and uploaded them onto the Commission's public Short Sea Shipping Internet site.

3. Inform shipowners, agents and other relevant parties of the possibilities offered by the Directive.

Comment: Complete. Awareness the IMO FAL forms seems wide-spread.

2. *Marco Polo*

Action No. 2 in the Promotion Programme is mid-way to completion.

Measures mentioned in the 2003 Promotion Programme

1. Make Marco Polo operational as of 2003, which will allow funding of innovative and important Short Sea Shipping projects.

Comment: Complete.

2. Utilise fully the possibilities offered by Marco Polo support to start up viable and operational Short Sea Shipping services on or outside the Motorways of the Sea.

Comment: Ongoing and advanced.

3. *Intermodal loading units*

Action No. 3 in the Promotion Programme has not advanced.

Measures mentioned in the 2003 Promotion Programme

1. Adopt the proposal on interoperability of intermodal loading units and implement it as soon as possible.

Comment: Pending. The proposal is still in the legislative process.

4. *Motorways of the Sea*

Action No. 4, as it was described in the Promotion Programme, has been fully completed.

Measures mentioned in the 2003 Promotion Programme

1. Finalise deliberations on the Motorways of the Sea to make adherence to them attractive to the market players with a view to fulfilling the objectives of the White Paper.

Comment: Complete. Motorways of the Sea are now part of the trans-European transport network and defined therein.

5. *The environmental performance of Short Sea Shipping*

Action No. 5 in the Promotion Programme is mid-way to completion.

Measures mentioned in the 2003 Promotion Programme

1. Improve the environmental performance of Short Sea Shipping by backing up and following the strategy that the Commission has presented, including the adoption and implementation of the legal proposal to reduce the sulphur content of marine fuels.

Comment: Ongoing and well advanced. The legal proposal to reduce the sulphur content of marine fuels has been adopted and is on its way towards implementation. Work will continue to back up the Commission's wider environmental strategy.

6. *Guide to Customs Procedures for Short Sea Shipping*

Action No. 6 in the Promotion Programme has been completed for the time being.

Measures mentioned in the 2003 Promotion Programme

1. Carry out consultations industry, the Short Sea Shipping Focal Points and Short Sea Promotion Centres (SPCs) on the Guide to Customs Procedures for Short Sea Shipping. Based on the results of the consultations, examine whether amendments to the Customs rules may be undertaken or whether some issues could be addressed under the initiatives to approximate national applications of Community Customs rules and improve co-operation between national Customs services.

Comment: Complete. The consultations and their follow-up took place in 2003.

2. Clarify the extent to which simplification opportunities offered by the current Customs rules are utilised (in particular, those for authorised regular shipping services and authorised consignors/consignees). If the current simplification regimes

are not utilised, identify the reasons and study eventual modifications to the Customs rules. Assess technical measures to render Customs facilities simpler.

Comment: Complete. The Commission presented, in 2004, a Working Document on “Authorised Regular Shipping Service”.

7. *Identification and elimination of obstacles to making Short Sea Shipping more successful than it is today*

Action No. 7 in the Promotion Programme is more than half-way to completion.

Measures mentioned in the 2003 Promotion Programme

1. Scrutinise the identified obstacles systematically, item by item, with a view to eliminating them.

Comment: Ongoing and well advanced. The original list of 161 bottlenecks from the year 2000 has been reduced to 35 today.

2. Identify any further obstacles that hamper the development of Short Sea Shipping and work towards finding solutions to them.

Comment: Ongoing and advanced. The exercise was re-launched in April 2005 in order to have an update of the situation and encompass the enlarged EU in the exercise.

3. Increase the efficiency of port services by adopting the proposal for a Directive on market access to port services and implementing it as soon as possible.

Comment: Partly withdrawn but the Commission intends to put new efforts on the port sector to enhance the role of these nodal points in the logistics chain.

8. *Approximation of national applications and computerisation of Community Customs procedures*

Action No. 8 in the Promotion Programme is more than half-way to completion.

Measures mentioned in the 2003 Promotion Programme

1. Approximate national applications of Community Customs rules and improve co-operation between national Customs services, in particular through the action programme for Customs in the Community (Customs 2007) and contact group of northern ports (RALFH).

Comment: Ongoing and advanced. Two contact groups of Customs offices work towards increasing practical co-operation and co-ordination between the Customs offices of major EU ports. These are RALFH dealing with major northern EU ports and ODYSSUD dealing with major southern EU ports.

2. Introduce the NCTS for Community and common transit procedures.

Comment: Complete. The New Computerised Transit System (NCTS) has been operational since mid-2003.

3. Continue legislative moves towards enabling the use of electronic rather than paper submissions towards the creation of a non-bureaucratic environment that limits the use of paper documents to the minimum.

Comment: Ongoing and well advanced. In November 2005, the Commission prepared a package of measures intended to simplify and streamline Customs procedures and to put in place systems that would create a paperless environment for Customs and trade, including security aspects. This package consists of proposals for a modernized Customs Code and e-Customs. Electronic declarations and messages would become the rule and paper-based declarations an exception.

9. *Research and Technological Development*

Action No. 9 in the Promotion Programme is more than half-way to completion.

Measures mentioned in the 2003 Promotion Programme

1. Carry out under a Thematic Network for Short Sea Shipping tasks that are of direct policy importance for Short Sea Shipping.

Comment: Fully complete since the end of 2005.

2. Utilise the 6th Framework Programme for RTD to develop innovations in ship design and port technologies, dedicated equipment and technologies for Short Sea Shipping, and new technological solutions for administrative procedures.

Comment: Ongoing until the end of 2007. Further initiatives can be taken under the 7th Framework Programme.

3. Disseminate concrete results of maritime RTD projects to a wide public in a clear and understandable way.

Comment: Ongoing.

10. *One-stop administrative shops*

Action No. 10 in the Promotion Programme is more than half-way to completion.

Measures mentioned in the 2003 Promotion Programme

- a) Promote the idea of one-stop administrative shops in ports to reduce, or at least coordinate, the number of administrations boarding and checking every ship and to offer port users a single contact point or help-desk for administrative formalities.

Comment: Ongoing and well advanced. The package of Customs measures mentioned above contains a framework for the information provided by economic operators to be shared between Customs authorities and with other agencies operating at the border, such as border guards, veterinary and environmental authorities. The economic operators would need to give the information only once ('single window') and the goods would be controlled by those authorities at the same time and at the same place ('one stop administrative shop').

- b) Examine the opportunities offered by the Motorways of the Sea introduced in the White Paper to advance these one-stop administrative shops.

Comment: Ongoing and well advanced. The Commission has been constantly promoting this idea in connection with Motorways of the Sea. The new package of Customs measures mentioned above will help considerably.

11. *Short Sea Shipping Focal Points*

Action No. 11 in the Promotion Programme is more than half-way to completion.

Measures mentioned in the 2003 Promotion Programme

- a) Ensure continuous co-operation between the Short Sea Shipping Focal Points and with the Commission by organising regular meetings and maintaining the flow of information between meetings via the Internet-based web tool (CIRCA).

Comment: Ongoing. The Commission organises regular meetings of the Focal Points and has provided a CIRCA site for them. The measure has become routine.

- b) Ensure the attachment of accession countries to the work of the Focal Points for them to attribute key importance to Short Sea Shipping from the beginning instead of putting unilateral importance on road transport.

Comment: Mostly complete. Most of the new Member States and acceding and candidate countries have been rapidly incorporated in the work of the Focal Points.

12. *Shortsea Promotion Centres*

Action No. 12 in the Promotion Programme is more than half-way to completion.

Measures mentioned in the 2003 Promotion Programme

- a) Ensure good functioning of the Short Sea Promotion Centres and their European Short Sea Network and guide their work towards concrete and practical ways to enhance the use of Short Sea Shipping.

Comment: Ongoing and advanced. There are currently 21 Shortsea Promotion Centres operating in Europe.

- b) Award political, practical and financial support to the work of the Short Sea Promotion Centres and their European network.

Comment: Ongoing and well advanced. The Commission has awarded certain grants to Shortsea Promotion Centres and to the European Shortsea Network. Some Promotion Centres have also carried out studies for the Commission services. As has been the case earlier, any financing should be granted on non-discriminatory basis and be targeted towards specific tasks and be limited in time.

- c) Extend the geographical coverage of national Short Sea Promotion Centres to cover not only the EU Member States in the short-sea area but also the accession countries.

Comment: Ongoing and well advanced. There are Shortsea Promotin Centres in Belgium, Bulgaria, Croatia, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Lithuania, Malta, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Turkey and the UK. The establishment of further Centres is being planned.

- d) Provide and share the responsibility of maintaining an Internet-based web tool (CIRCA) for the exchange of information between the members of the European Short Sea Network and with the Commission services.

Comment: Complete. The web tool has been provided and is maintained by the European Shortsea Network.

13. *The image of Short Sea Shipping*

Action No. 13 in the Promotion Programme is more than half-way to completion.

Measures mentioned in the 2003 Promotion Programme

- a) Make Short Sea Shipping and its modern potential known through distribution of information on the mode and participation in conferences, seminars and workshops that attract also transport users. Award substantial resources to public presentations.

Comment: Ongoing and well advanced. Based on information received from the maritime industries and through the European Shortsea Network, efforts to improve the overall image of Short Sea Shipping have been successful. Accordingly, the general image of the mode seems to have reached that of a modern and efficient means of transport in co-modal chains.

- b) Provide updated neutral information on Short Sea Shipping policy to the public through the Internet, including further development of existing web sites.

Comment: Ongoing and advanced. The Short Sea Shipping section on the Europa site of the Commission provides neutral information.

- c) Provide examples of Short Sea Shipping Success Stories (and failures to learn from) through the Commission's Short Sea Shipping Internet site.

Comment: Ongoing and well advanced. The Commission feels that exchanging best practice (success stories) is an essential way of promoting Short Sea Shipping. For five years now the Commission has been collecting short-sea success stories, cross-checking them with the European Shortsea Network, and making them regularly available on the Internet.

14. *Statistical information*

Action No. 14 in the Promotion Programme is almost complete.

Measures mentioned in the 2003 Promotion Programme

- a) Collect statistical information on Short Sea Shipping from the Maritime Directive and through ESPO in parallel until the Directive provides sufficient time series for establishing trends and making reliable comparisons between modes.

Comment: Well advanced. The Council Directive on Maritime Statistics might soon become the main source of short-sea data. For the time being, the Commission has partly relied on data provided by a number of member ports of the European Sea Ports Organisation (ESPO).

- b) Extend the collection of statistical information to the accession countries.

Comment: Complete. The current collection of statistics covers the EU-25.

FINANCIAL STATEMENT			[...]	
			DATE: 31.5.2006	
1.	BUDGET HEADING: Internal market and optimisation of transport networks – 06 02 04 01	APPROPRIATIONS: None		
2.	TITLE: Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Mid-Term Review of the 2003 Programme for the Promotion of Short Sea Shipping (COM(2003) 155 final)			
3.	LEGAL BASIS: Art. 80(2) of the Treaty			
4.	AIMS: The overall policy objective of promoting Short Sea Shipping in terms of expected results is to improve the efficiency and competitiveness of the mode in co-modality and achieve a shift from road to short sea in order to diminish unsustainable trends in road transport (congestion, accidents, pollution, global warming, and land use). Furthermore, the policy enhances cohesion and links to peripheral areas and islands.			
5.	FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR [n] (EUR million)	FOLLOWING FINANCIAL YEAR [n+1] (EUR million)
5.0	EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) - NATIONAL AUTHORITIES - OTHER	None	None	None
5.1	REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL	None	None	None
		[n+2]	[n+3]	[n+4]
5.0.1	ESTIMATED EXPENDITURE	None	None	None
5.1.1	ESTIMATED REVENUE	None	None	None
5.2	METHOD OF CALCULATION: N/A			
6.0	CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?			YES
6.1	CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?			YES
6.2	WILL A SUPPLEMENTARY BUDGET BE NECESSARY?			NO
6.3	WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?			NO
OBSERVATIONS: Any financial implications that might follow from the actions referred to in the Communication have been or will be examined separately, as appropriate, under the individual actions.				