



Economic and Social
Council

Distr.
GENERAL

TRANS/SC.3/1998/9/Add.1
30 July 1998

ENGLISH
Original: FRENCH

ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

Working Party on Inland Water Transport*
(Forty-second session, 14-16 October 1998,
agenda item 4)

STUDY OF THE CURRENT SITUATION AND TRENDS IN
INLAND WATER TRANSPORT IN MEMBER COUNTRIES

Addendum 1

Transmitted by the Commission of the European Communities

The Secretariat has received from the Commission of the European Communities the report, "Inland Waterways in the Year 2000", the text of which is reproduced below.

* The Inland Transport Committee at its sixtieth session decided to change the name of the Principal Working Party on Inland Water Transport to Working Party on Inland Water Transport (ECE/TRANS/125, para. 9).

"WATERWAYS IN THE YEAR 2000"

Inland water transport remains largely underexploited and therefore has a very high growth potential which may offer alternatives to other modes of transport.

However, the sustainable mobility objective advocated by the Commission in its White Paper can only be achieved through a transport system that is comprehensive, competitive, efficient, safe, environmentally-friendly and makes use of the best technologies. From this standpoint inland water transport has some major advantages; it is environmentally-friendly, it provides a high level of safety; it is sparing of non-renewable energy and it contributes to relieving north-west Europe's congested road network. For the record, inland water transport accounted for 116 t/km of goods in 1995 (source: Eurostat), i.e. an increase of 5.9% since 1970, and represents a modal share of 7.6% (whereas there are only six riparian countries with connected networks in the Community). Approximately 800,000 containers transited over the Rhine last year and inland navigation still represents more than one third of intracommunity transport (i.e. of trade between member States).

Lastly, it plays an essential role in exports and imports across the European north-west and accounts for an important share of the hinterland of the major European Union sea ports.

However, inland waterway transport needs to be used more rationally, more effectively and in a way that is better adapted to users' requirements if it is to offer competitive alternatives to the other modes of transport and successfully meet the challenge of the complete liberalization of its market after 1 January 2000 (Council Directive 96/75/EC, adopted on 19 November 1996, on the systems of chartering and pricing in national and international inland waterway transport in the Community). And prospects, in terms of increase in volume of goods shipped, are rather good.

To meet these objectives, the Commission organized a meeting on 26 June 1997 with the social and economic partners and the member States concerned on the future of inland waterway transport in order to take comprehensive and integrated action for the improvement of the sector in the following areas: infrastructures (I), market organization (II), harmonization and technical requirements (III), external relations (IV) and social conditions (V).

I. Infrastructures:

(1) As part of the general revision of the guidelines for the development of the trans-European transport networks (TENs) scheduled for July 1999 (as a first step the Commission has established a proposal for a Parliament and Council decision amending Decision No. 1692/96/EC as regards seaports, inland ports and intermodal terminals, COM (97) 681 final of 10 December 1997) for the strengthening of the intermodal configuration (localization of points of interconnection and terminals), and the expansion of the European network to include neighbouring third countries (CEECS). The Commission recognizes the importance of inland waterway infrastructures for this mode of transport,

especially in view of its policy of expansion to countries whose inland waterway infrastructures are connected to the trans-European network (Czech Republic, Poland and Hungary). Although these guidelines were established at the Community level, it is for the member States to determine the exact modalities, timetable and rate of completion of the infrastructures required to establish the network as it has been defined. In accordance with the principle of subsidiarity, the guidelines give member States complete freedom of action in accordance with their national programmes of activities and financial constraints.

(2) The question of infrastructure charges in inland waterway transport is becoming more and more relevant. It is becoming increasingly obvious that establishing a system of sustainable mobility involves increased economic efficiency not only through greater competition between modes of transport - including inland navigation - but also by giving due weight to the external costs incurred by the various means of transport.

With this in mind, in late December 1995 the Commission adopted a Green Paper on Pricing in Transport ("Towards fair and efficient pricing in transport - Policy options for internalizing the external costs of transport in the European Union"). In the Green Paper Commissioner Kinnock advocates fair and efficient pricing that will have an influence on infrastructure charging in all modes of transport but with periods of transition in order not to penalize those that are environmentally friendly. This is a complex matter given the multifaceted nature of inland waterways (drinking water, irrigation, groundwater supply, supply of industries and electric power plants, tourism, national planning and development ...). The Commission sent the member States a questionnaire to learn more about the practices and policies in force in this area. The replies might be used for the inclusion of another initiative or a political recommendation in the next Commission communication on the subject.

II. Market organization:

Mr. Kinnock, the Commissioner in charge of transport policy, stated in 1995:

"If we wish to attain our objective of establishing a comprehensive transport network in Europe in which all modes of transport are interoperable, it is essential for us to make inland water transport a cost-effective mode of transport. By making inland waterways more interesting economically, we will be encouraging shippers to remove part of the freight from our overcrowded roads."

At his initiative, in November 1996 the Council adopted a set of measures designed to increase the sector's effectiveness:

(1) Market liberalization

The first measure consists of a gradual liberalization of the market with the abolition of the systems of chartering "by rotation" by 1 January 2000 (Council Directive 96/75 of 19 November 1996 on the systems of chartering and pricing in national and international inland waterway transport

in the Community). This directive also provides for the application of a crisis mechanism in the event of a "serious disturbance in the inland waterway transport market", namely, that the Commission may, at the request of a member State, take measures designed to prevent any new increase in transport capacity. The opening up of inland waterway transport markets is one means of making inland waterway transport more attractive and competitive. In the Netherlands liberalization will be introduced early, on 1 December 1998.

(2) Reduction of structural overcapacity

One of the most important measures in the area of inland waterway transport has been the implementation since 1989 at the Community level of a policy for reducing overcapacity. For the period 1996-1998, a new vessel-scrapping scheme (Council Regulation (EC) No. 2254/96 of 19 November 1996) will result in a reduction in existing capacity of approximately 15%. This vessel-scrapping programme (at a cost of 192 million ECUs) coordinated at Community level, is financed by the shipping profession, the member States concerned and the European Union and is intended to guarantee sustainable competitiveness for the sector by improving its structure and productivity while at the same time enabling many owner-operators to leave the profession under acceptable financial conditions.

The extension of the "old for new" arrangements after 28 April 1999: Commission report of 3 November 1997 (COM (97) 555 final) on the overall impact of the structural improvement measures and the "old for new" arrangements (offsetting of new capacity by scrapping older capacity or by paying a financial penalty to be used for scrapping) led to the conclusion that it was necessary to maintain a regulation mechanism after the expiry of Council Regulation (EEC) No. 1101/89, i.e. after 28 April 1999. Thus the Commission, through its group of experts on structural improvements and together with the profession, which is unanimously in favour, is studying the possibility of a draft Council Regulation on policy regarding capacity of Community fleets, in order not to lose the benefits of the improvement measures (to which the profession will have allocated 150 MECU) while not preventing the much-needed modernization of the fleet. The idea would therefore be to establish a permanent surveillance mechanism, as a preventive measure, with conditions for bringing new vessels into service, which, if the market so permits, would ultimately cease to exist.

(3) Promotion of inland waterway transport:

The third measure involves the promotion of inland waterway transport by giving the member States the possibility, on a time-limited basis, of granting aid for investments in the infrastructure of inland waterway terminals or in the fixed and mobile equipment needed for loading and unloading (Council Regulation (EC) No. 2255/96 of 19 November 1996 amending Regulation (EEC) No. 1107/70 on the granting of aids for transport by rail, road and inland waterway). This regime has been introduced until 31 December 1999 and provides member States with the possibility of granting aid of up to 50% of the amount of investment. The Commission will also study the possibility of extending the arrangements for State-granted aid to inland navigation beyond 1999 and of revising the global system of State aid for land transport.

As part of its effort to promote inland waterway transport, the Commission has also established a working group which should be meeting three or four times during 1998 and 1999, whose objective is both to achieve greater involvement of the authorities in the development of initiatives in favour of inland navigation and to set up a European promotion agency which would consolidate existing national organizations.

It is important for inland navigation companies to meet modern logistical requirements. For this reason interoperability and intermodality are of major importance for inland navigation, which must become an important link in the chain of intermodal transport. The goal, therefore, is to expand the slogans, "from road to rail" and "from road to water". A programme designed to promote combined transport at the Community level is the PACT Programme (Pilot Actions for Combined Transport), which facilitates the introduction of new services through subsidies.

However, we note with regret that participation by inland navigation companies in this programme is relatively poor. Generally speaking, the role of inland waterway transport in combined transport is rather limited, despite the high potential offered by inland ports for integrating intermodal transport.

Lastly, in view of the complete liberalization of the inland navigation market towards the year 2000, it is important to have an effective market monitoring tool. Market monitoring would enable us to follow more closely the economic development of this mode of transport in order to be able to react rapidly in the event of market disruptions. For this reason the Commission has established a "market monitoring" working group, and plans to establish a database on the Commission's EUROPA website (Internet), home page DG VII, with information on Community legislation (adopted and under review), the status of the fleet (its characteristics and vessels under construction), the status of the network (and of the TENs), analysis of costs, freight rates, waiting periods in the different market sectors (in indices), statistics and possible market forecasts.

III. Harmonization and technical requirements:

For the Commission, the harmonization of technical regulations throughout the Community's inland waterway network (at a level at least equal to that existing for navigation on the Rhine) is one of the priorities both for security and for the establishment of a genuine single inland waterway transport market.

To this end, first of all, the Commission will monitor the implementation of Directive No. 96/50 on the harmonization of the conditions for obtaining national boatmasters' certificates. This directive is the first step leading to the complete harmonization of boatmasters' certificates the objective of which will be to obtain a single Community certificate valid on all Community waterways (towards 2005).

The establishment of the "Committee on the national and international carriage of goods and persons by inland waterway in the Community" on 5 February 1998 will make it possible to provide follow-up, in accordance with

technical developments and needs, of the amendments to be made to the technical annexes governing boatmasters' certificates and to the technical requirements. This Committee will also be responsible for issuing opinions on draft Commission measures in the event of serious market disruptions.

The proposal for a Council directive, adopted by the Commission on 8 December 1997 (COM (97) 644 final), amending Directive No. 82/714/EEC of 4 October 1982 laying down technical requirements for inland waterway vessels, which sets out to incorporate the technical progress made since 1982, is based on the most recent Rhine Vessel Inspection Regulations (1995) and guarantees a single set of technical requirements for vessels throughout Community territory.

The Commission has also adopted a proposal on the approximation of the laws of the member States with regard to the transport of dangerous goods by vessels on inland waterways (COM (97) 367 final of 16 July 1997). In it the Commission proposes that Community certificates of vessels transporting dangerous goods should be recognized throughout the Community network, and that the Committee on the Transport of Dangerous Goods (established by Directive 94/55/EC) should be used for updating the annexes to take technical progress into account.

The Commission also adopted, on 15 January 1998, a recommendation to obtain a Council decision authorizing it to begin negotiations on a European agreement on the international transport of dangerous goods by inland waterway (SEC (98) 23 final) in the framework of the negotiations taking place at Geneva on the ADN (pan-European agreement) which would be based on the Regulations for the Carriage of Dangerous Goods on the Rhine (ADNR).

IV. Social conditions:

In 1993 the Commission had begun work on the drafting of Community rules governing rest time, composition of crews and navigation time of vessels. This work had to be suspended following the decision of the social partners to use the facility offered by the Agreement on Social Policy annexed to the Treaty on European Union to resolve the matter of work time. The social partners included rest time, composition of crews and navigation time of vessels in their discussions. These negotiations began in May 1994 and were formally declared to have failed in March 1995.

Following its White Paper on sectors and activities excluded from the working time directive, the Commission decided to submit a proposal to the Council containing provisions based on the Rhine Convention (Inspection Regulations, chapter 23) on rest time, navigation time and composition of crews, which would apply to all member States and all inland waterway carriers without exception.

Conclusion: This listing of the numerous issues being dealt with at Community level clearly shows that full consideration is being given to inland navigation as a mode of transport and that its future may be contemplated with confidence in a free and harmonized market context, provided that alliances between shippers and carriers are increased.
