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Working Party on Inland Water Transport
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**EXCHANGE OF INFORMATION ON MEASURES AIMED AT
PROMOTING TRANSPORT BY INLAND WATERWAYS**

Transmitted by the European Conference of Ministers of Transport (ECMT)

Note: The secretariat reproduces below the Conclusions of the ECMT Seminar: "The Inland Waterways of Tomorrow on the European Continent" (Paris, 30 January 2002) for the information and possible use by the Working Party on Inland Water Transport.

CONCLUSIONS OF THE SEMINAR: "THE INLAND WATERWAYS OF TOMORROW ON THE EUROPEAN CONTINENT" (PARIS, 30 JANUARY 2002) ^{1/}

1. On 30 January 2002 ECMT organised a Seminar on the topic "The Inland waterways of tomorrow on the European continent". The purpose of the meeting was to develop political signals, to be given to ECMT Ministers in their May 2002 session in Bucharest, on ways and means to strengthen the role of inland waterway transport in overall European transport. Background to the meeting was the Declaration adopted by the Pan-European Conference on Inland Waterway Transport, held in Rotterdam in September 2001 (Rotterdam Declaration).

2. Three main themes were discussed during the seminar:

- Identification of obstacles: in the case of ECMT not so much legislative obstacles, as referred to in item 13 of the Rotterdam Declaration, but rather economic, logistical, political, fiscal, managerial, even psychological barriers;
- Investment in inland waterway infrastructure;
- Access to the market.

3. The discussions on the three main themes can be summarised as follows:

Theme I: Economic perspectives of inland waterways: which decisions to overcome barriers to the development of inland waterways?

4. **Lack of political attention for inland water transport.** It is generally considered that policymakers, both at the national and the international level, give relatively little consideration to inland waterway transport, as compared to that given to the other inland transport modes. Part of the explanation for this is, of course, the nature of the European inland waterway network. It covers only a limited number of countries and regions; in the European Union currently only six countries are mutually connected by inland waterways, in Europe as a whole seventeen. As only a minority of countries is interested, most policymaking effort at the international level is devoted to rail and road transport, which are common to all.

5. Another reason for this relative lack of political interest is, that even in countries where inland waterway transport plays a role, its modal share is usually lower, mostly much lower, than those of road and rail transport.

^{1/} This reference document was submitted for information under item 3, "Modal shift" of the agenda of the Bucharest session of the ECMT Council of Ministers. It is based on a draft prepared by Mr. HOFHUIZEN, General Rapporteur of the Seminar.

6. A third reason may be that only few people earn their living in the inland water transport industry, both in absolute terms and in relation to the volume of goods it carries. The number of people working in rail and road transport is much greater, which makes paying attention to their profession politically more rewarding.

7. One way to raise the awareness of politicians, shippers, the media and the public at large of the importance of inland water transport is, of course, promotion. It was noted that promotional activities, such as those of the recently founded organisation Inland Navigation Europe (INE), should be intensified in order to convince policymakers and others that inland waterway transport is a transport branch with a future. Paying more attention to inland water transport in education was also mentioned as a means to raise public awareness of the role of inland water transport.

8. The rising concern about road congestion and about the negative impact of increasing road transport on the environment may bring with them a renewed political interest in inland waterway transport, but this is far from certain. In considering possibilities for shifting freight from the road to other transport modes, policymakers still tend to think of rail, much less of inland water transport. It was noted that in some respects the inland water transport industry is not in the best position to capture freight from the road. There is the low density of the waterway network as compared to the rail network; and the average carrying capacity of an inland navigation vessel is 1000 tons, whereas a train wagon carries 35 to 45 tons, much closer to the average carriage capacity of lorries of 25 tons. So there seems to be more 'replaceability' between road and rail, than between road and inland waterway. However, if waterways can take some traffic from rail then there would be opportunities for making slots available on railway networks which could be used for routing trains carrying freight or passengers shifted from the roads.

9. **Inland waterway transport as part of a multi-modal transport system.** The European waterway network is currently insufficiently used. It has a great reserve capacity, which should be used to ease the increasing pressure on the road network. If we are to develop its potentialities, inland water transport must be made a part of an integrated transport system, comprising all modes. So, at the policy level, an inter-modal approach is called for. As the waterway network does not cover all the important economic regions in Europe, there must be multi-modal terminals, connecting the waterway network to the road and rail networks, and where goods can efficiently be transferred between modes. Governments and international organisations should foster the establishment of such terminals. The Economic and Social Committee of the EU recently called for an increase of EU or national financial aid to stimulate projects and initiatives aiming at promotion of inter-modal transport with inland water transport as one of its components. It was suggested that the European Commission should draw up a plan for a network of intermodal terminals; this plan should also provide for EU subsidies to help establishing such inter-modal platforms where they are needed. Financial aid should also be

made available for the development of multi-modal transshipment points, where freight can be exchanged between inland waterways and other modes.

10. In this connection mention was made of the new “Marco Polo” programme, announced by the European Commission in its recent transport policy White Paper, which will provide for aid for intermodal projects and for projects which shift transport flows from the road to more environmentally-friendly transport modes. Another activity the European Commission intends to undertake with a view to stimulating inter-modal transport is encouraging the emergence of a new profession, the “freight integrator”, who specialises in the organisation of inter-modal transport chains.

11. It was further noted that the integration of inland waterway transport in inter-modal transport chains could be strengthened by the development of a new type of swap body, which would have to be stackable. Standardisation of this new type of loading unit would be necessary to make its dimensions compatible, not only with pallets, but also with ISO containers, so that it can be stacked with ISO containers in the same vessel. Making swap bodies stackable would also reduce the costs of their storage in terminals; storage areas then could be smaller. The European Commission intends to have a study done on this subject, possibly followed by a harmonisation proposal.

12. **Fluvio-maritime transport.** Another way to exploit more fully the transport potential of inland waterways is to use them for fluvio-maritime traffic between river basins that are not connected by inland waterways (or only by too small ones) to the main European waterway network, but, as far as navigation is concerned, only by sea routes. A number of European countries have such “isolated” waterways, notably Great Britain, France, Finland, Sweden, Spain and Portugal, Ukraine and Russia. It was noted that in several of those countries, the majority of which are not traditionally associated with inland water transport, there was a growing interest in using inland waterways for the purpose of fluvio-maritime traffic, which can also serve as a useful alternative to road transport. It was suggested that the countries of the “traditional” inland waterway transport group associate themselves more closely with those of the “fluviomaritime” group, in order to increase the weight given to inland waterways in international policy-making.

13. One of the obstacles to the development of fluvio-maritime transport consists in the fact that seariver vessels, on entering the inland waterway network on their way to an EU inland port, have to dock in the seaport to undergo customs clearance formalities, even if they have loaded their cargo in another EU country. This occasions extra costs, not only because of the interruption of the voyage, but also because seaport dues have to be paid. This gives fluvio-maritime transport an unfair disadvantage when carrying out transport within the EU as compared to the other modes, which do not have to bear such extra expenses. It was felt that the

system should be changed so as to allow for customs clearance to take place in the (inland) ports of loading and unloading.

14. It was further noted that sea-river vessels must fully comply with the IMO technical regulations. But, it was asked, is it really necessary that such vessels, which generally stay close to the coast, satisfy the same stringent technical requirements as ocean-going vessels? If specific technical requirements for seariver vessels were adopted, the cost of this mode of transport could be lowered.

15. **Lack of unity in the field of civil law.** The current fragmentation in the field of private law applicable to inland water transport, and in particular the absence of internationally unified liability rules, constituted also a practical barrier to the development of inland waterway transport, as this causes legal uncertainty; this in turn could prevent inland waterway carriers from accepting transport jobs offered, and shippers from using the services of the inland waterway transport industry, because they are uncertain about their rights and obligations if differences arise, or if damage occurs.

16. Some important steps towards unification have already been made. The Strasbourg Convention on the limitation of liability for inland navigation vessels (CLNI) has entered into force, but so far has only a very limited number of contracting parties. The Budapest Convention on the contract for the carriage of goods by inland waterways (CMNI) has recently been signed, but has not yet entered into force. A draft for a European Convention on liability for damage in connection with the carriage of hazardous and noxious substances by inland waterway (CRDNI) is ready to be negotiated. But still much work is needed before a unified civil law system covering the European waterway network can be said to exist.

17. **Obstacles caused by environmental regulations and schemes.** It was regretted that the establishment along waterways of manufacturing and other enterprises, that could use inland water transport, is sometimes made difficult by environmental regulations and schemes, such as the "Natura 2000" programme. There are long stretches along the Rhine and other waterways where the establishment of such enterprises is prohibited in order to protect the natural environment. The benefits to the environment resulting from the use of inland waterway transport instead of road transport are often insufficiently taken into account.

18. **Charging for infrastructure use.** The European Commission plans to issue a communication on this subject in the 1st half of 2002. A legislative proposal for a uniform method of charging for all transport modes will probably be presented in 2003.

19. It was observed that charging for infrastructure use may strengthen the competitive position of inland waterway transport vis-à-vis the other modes, because of its relatively low external costs (environmental, accident and congestion costs). It was objected that such charges will raise the cost of inland water transport, and that inland water transport firms, because in

their relationship to shippers they are the weaker party, will not always be able to pass on this additional cost to their customers. On the other hand, it was pointed out that charging for infrastructure use would generate financial means that may be spent for additional investment in inland waterways. It must be remembered that, on important parts of the network (notably the Rhine), waterway use now is entirely gratis; once it has to pay, the inland waterway transport industry will be in a better position to demand improvements.

Theme II: Investment in inland waterways?

20. **Step-by-step improvements vs. large projects.** It was generally recognised that investment in inland waterway infrastructure tends to remain behind what is needed. One of the reasons for this may be that, at least in the past, one concentrated too much on large-scale, threshold-crossing projects which, if only because of their enormous cost, have little chance of being adopted. If the emphasis is laid on smaller projects, one stands a better chance of bringing investment back to a more satisfactory level. On the other hand it was pointed out that the absence of threshold-crossing links between two river basins might result in insufficient use of both. If two rivers are connected by the construction of a threshold-crossing waterway, traffic may increase, not only on the connection itself, but also within each of the river basins thus connected. If they remain unconnected (as, for instance, the French river Rhone), shipowners will hesitate to 'lock up' their vessels in such restricted navigation areas.

21. **Multi-functionality of inland waterways.** It was suggested that another reason why inland waterway projects tend to get low priority might be, that the multiple functions of inland waterways are insufficiently borne in mind. Waterways not only serve transport needs, but they have also other water management functions, for instance in the supply of drinking water and electricity, flood prevention, irrigation, tourism. If waterway projects were so designed that transport benefits would be combined with benefits for other functions, they would perhaps have a better chance of being accepted.

22. **Opposition against inland waterway investment projects by environmentalist movements.** Inland waterway construction and improvement projects often meet with serious opposition by environmentalist and ecologist groups, which may delay or even prevent their execution. Several participants deplored the attitude taken by environmentalists in this respect. It was observed that there is a tendency on the part of environmentalists (and also of the public authorities) to judge the environmental consequences of inland waterway projects more severely than those of projects for the other modes. The criteria used in judging waterway projects should be the same as those used for the other modes.

23. It was further noted that environmentalists interpret "Natura 2000" and the Flora and Fauna (Habitat) Directive as prohibiting absolutely all construction works in rivers; this is,

however, an excessive interpretation. The Directive imposes the obligation to conduct environmental impact studies, and to balance the environmental consequences of projects against their economic and social significance. If it is clearly in the public interest to carry out certain construction works this usually can be done, even if there are some negative environmental effects. Policy-makers should not give in to such pressure from environmentalist groups, but stick to a correct interpretation of the Directive.

24. It was further argued in favour of a better incorporation of the concerns of environmentalists in plans for waterway construction and improvement. Environmentalists and the inland waterway transport industry should be on the same side in promoting the contribution to sustainability, which a better use of inland waterway transport can make. A very good example of how the construction of a waterway can be made compatible with ecological concerns is the southern part of the Main-Danube Canal; this waterway has been very satisfactorily integrated into the natural habitat. This example should be made better known to the public and should be discussed with stakeholders in the environmental movement.

25. It was further observed that the construction of threshold-crossing canals between river basins may be difficult to execute, because it usually would entail the necessity of scaling up the upstream parts of the rivers they connect to at least class V; considerable ecological problems may then arise, as this would considerably affect the natural character of the river sections involved. A solution might be to remove the fairway from the river bed, and leave the river sections concerned as far as possible in their natural state. This would mean, in other words, the construction of lateral canals.

26. **Revision of the EU “TEN Guidelines”.** The European Commission has proposed a revision of the “TEN Guidelines” in two steps:

- a limited revision, currently under discussion, which will, among other things, include the Straubing-Vilshofen bottleneck in the list of priority projects;
- a complete revision in 2004, which will include infrastructure needs in the candidate countries, on the basis of an inventory of bottlenecks in all transport modes.

27. The revision proposal currently under discussion was criticised during the Seminar because it provides for 20% co-financing by the EU for railway projects, whereas for inland waterway projects only 10% co-financing would be available. It was felt that inland waterway projects should be treated on an equal footing with railway projects in this respect.

28. Reference was also made to the concept of “sea motorways”, proposed in the European Commission’s White Paper with a view to strengthening the role of short sea shipping, and which in future should be included in the “TEN Guidelines”. It was felt that these “sea motorways” should not stop at seaports, but should be extended to inland ports, in order to take

fluvio-maritime transport into account.

29. **Infrastructure needs of fluvio-maritime transport.** In order to make the inland waterway network more accessible to fluvio-maritime traffic,

- it would be necessary to improve the waterways concerned in such a way, that they can be used by vessels with a draught of 2.5 meters for not less than 300 days/year;
- as sea-river vessels, because of their dimensions, can only use a limited portion of the inland waterway network and only reach a certain number of river ports, technologies should be developed to increase the geographical scope of fluvio-maritime transport, e.g. barge-carrier technologies.

30. **Bottlenecks.** The EU Economic and Social Committee recently asked the European Commission to draw up an up-to-date and exhaustive list of bottlenecks, specifying the nature of the works to be done to eliminate them and the way these could be financed. It was noted that the European Commission intends to draw up an inventory of bottle necks in preparation of the revision of the “TEN Guidelines” to be proposed in 2004. It was further noted that the UNECE already has prepared an inventory of bottlenecks and missing links on the E waterway network. It was suggested that the international institutions concerned coordinate their activities in this respect, in order to prevent the existence of several lists of bottlenecks with different contents.

Theme III: Access to the market

31. **Types of restrictions on market access.** During the discussion various possible types of restrictions on market access were brought up:

- restrictions on transport rights, based on the nationality (however determined) of vessels, their owners and/or their operators;
- difficulties of operating on certain market sectors due to differences in technical, safety and/or manning regulations;
- non-legal barriers resulting from private agreements between certain market parties;
- other legal questions.

32. **Restrictions on transport rights.** An analysis was presented of such restrictions as contained in a number of international instruments:

- the Act of Mannheim reserves national and international cabotage on the Rhine to vessels belonging to CCNR and EU member states;
- the Convention of Belgrade reserves national cabotage to the national fleets;
- bilateral inland navigation agreements between some CCNR member states and a number of CEEC's, placing restrictions on access to national cabotage and bilateral traffic;

- EU legislation, reserving the right to carry out transport operations within the EU to EU vessels.

33. A geographical distinction was made between three markets on the basis of the legal systems prevailing in each of them: the Danube (Convention of Belgrade), the Rhine basin (Act of Mannheim and EU law), and the exchange traffic between Western Europe and Central/Eastern Europe in both directions (bilateral agreements). It was argued that, in order to prevent market disturbances, priority should be given to gradual elimination of restrictions now applicable in East-West and West-East exchange traffic, before opening up the markets of the Danube and the Rhine basins.

34. It was observed that not only the international legal instruments mentioned, but also national legislation in a number of cases contained restrictions on market access for ‘foreign’ vessels.

35. **Differences in regulations : harmonisation as a prerequisite for liberalisation.** A “level playing field” would have to be created before markets could be opened up. Distortions of competition resulting from differences in technical, safety and environmental standards would not be acceptable. In this connection it was also pointed out that public authorities could not allow vessels with different safety standards to use the same waterway, because then they would act irresponsibly towards potential victims of accidents. If an accident is caused by a substandard vessel, the responsibility of the public authority governing the waterway concerned is inevitably also at stake. It was further noted that the creation of a “level playing field” might also involve measures concerning labour conditions and social security.

36. On the other hand, it was pointed out that the importance of harmonisation of safety standards, however desirable, should not be overstated. UNECE and the Danube Commission had been working for decades already on such harmonisation; the differences between standards throughout Europe were not that important any more. If no clear objectives as to harmonisation of safety standards were set, market integration inevitably would be delayed.

37. **Non-legal barriers - private agreements: significance of the “Bratislava Agreement”.** The view that the so-called Bratislava Agreement also played a role in limiting market access to transport on the Danube was contested. It was argued that the Bratislava Agreement was not a convention between states or governments, but only a private agreement between Danube shipping companies. Many inland water transport firms operating on the Danube were not parties to it. Market access conditions on the Danube were determined by

national law, not by the Bratislava Agreement; so there was no need to discuss the latter when speaking about market access.^{2/}

38. **The EU enlargement process.** Attention was drawn to the role the enlargement process of the EU would play in the integration of the European inland water transport markets. In only a few years a number of CEEC's would be member states of the EU and thereby become part of a single market. Even if countries like the Russian Federation, Ukraine and Yugoslavia would not become EU member states in the short term, in the long term the enlargement of the EU would inevitably lead to the integration of the different inland navigation regimes in Europe.

39. **Revision of the Danube regime.** Attention was drawn to the fact that the Danube Commission, unlike the CCNR, has no legal competence to adopt regulations that are directly applicable, still less to enforce them. However, an initiative is under way to reframe and reformulate the Danube regime in order to bring it closer into line with the regime currently existing on the Rhine in this respect. If such a revision were adopted, this might facilitate the efforts to integrate the Rhine and Danube navigation markets. It was suggested that ECMT Ministers might support this initiative.

CONCLUSIONS

40. In view of the discussion summarised above, it appears that decisions makers should give more consideration to inland waterway transport at a moment when there is a rising concern about road congestion and about the negative impact of increasing road traffic on the environment. An intermodal approach with inland waterways as a part of an integrated transport system has to be developed. Decisions should therefore be taken to:

- Facilitate the integration of inland water transport in a multi-modal transport system by:
 - providing aid for projects and initiatives aiming at promotion of inter-modal transport involving inland water transport;
 - furthering the development of a coherent network of multi-modal transshipment points with terminals connecting the waterway network with the road and rail networks;
 - encouraging the development of a stackable type of swap body, the dimensions of which are compatible with those of ISO containers.

^{2/} It should be noted that, from the point of view of EU law, the mere fact that the Bratislava Agreement is a private agreement between companies, not a public agreement between governments, would not mean that it has no relevance to the question of market access. The Treaty establishing the European Community contains anti-cartel provisions, which expressly prohibit agreements between companies to fix prices or to divide market shares between or among themselves.

- ensuring the development of framework conditions for competition between railways and inland shipping that promotes complementary development of the two modes and avoids economic distortions;
- furthering the development of a uniform method of charging the use of infrastructure for all transport modes.
- Improve the conditions for fluvio-maritime transport by:
 - resolving incompatibilities in the legal frameworks applicable to maritime and inland shipping that undermine the development of fluvio-maritime transport;
 - moving customs clearance formalities from seaports to inland ports and simplifying customs procedures for fluvio-maritime shipping, which should be treated as inland transport;
 - ensuring non-discriminatory access to the sea and the inland waterways for fluvio-maritime transport and, to this end, furthering the development and the adoption at the international level of specific technical regulations for sea-river vessels;
 - furthering the development of shipping technologies increasing the geographical scope of fluvio-maritime transport on the inland waterway network;
 - avoiding the development of intermodal transport units with dimensions that are incompatible with infrastructure for inland transport;
 - extending the "sea motorways" to the inland ports.
- Overcome barriers to the development of the inland waterway transport by:
 - fostering work to establish a unified civil law system for the European waterway network;
 - providing training and information for the future of the profession in order to support development of inland shipping;
 - supporting promotional activities to convince shippers and forwarders that waterway transport is a mode with a future.
- Improve the quality of the European inland waterway network by:
 - promoting the drawing up of a unique list of bottlenecks and missing links, in co-operation between the international organisations concerned;
 - supporting investment, above all for better maintenance of the infrastructure and dredging, and modernisation to meet the requirements of modern shipping, providing sufficient headroom for the stacking of containers, since the development of existing infrastructure shows far greater returns than major new projects;

- providing investment for missing links in order to build-up an efficient international network, subject to a positive socio-economic assessment of the benefits expected;
 - guaranteeing the completion of projects once they are underway to avoid the exposure of transport enterprises to avoidable risks of stranded investment;
 - ensuring uninterrupted access to waterways and uninterrupted operation of the related infrastructure;
 - encouraging a better integration of environmental and ecological concerns into the design of inland waterway investment projects, and improving the relations between the environmental movement and the inland water transport industry;
 - furthering the adaptation of the relevant parts of the inland waterway network to the needs of fluvio-maritime transport;
 - ensuring a treatment of inland waterway investment projects equal to those for the other modes, e.g. in the application of aid schemes.
- Facilitate the opening of the market by the elimination of currently existing restrictions on market access and the creation of a 'level playing field' by:
 - removing from national and international legislation restrictions on market access for "foreign" vessels;
 - promoting the convergence of technical, safety and environmental standards for inland navigation vessels, harmonised traffic regulations and harmonised procedures for certification of licences;
 - encouraging the international harmonisation of labour and social security conditions including rules governing crews;
 - supporting initiatives to bring the international Danube regime more into line with the international Rhine regime in order to harmonise the legal framework for inland shipping; this requires co-ordinated preparatory work, in the Rhine and Danube Commissions.
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