

Position-Paper
of the River-Sea Shipping Committee of the European Barge Union
concerning the development of the European River-Sea and Short Sea
Shipping Market

Background

On the 16th of December, 2014 EBU's Board of Directors decided to accept the membership applications of ERSTU as corresponding member and proposed the setting-up of the EBU's River-Sea Shipping Committee. The Committee was established by and under the EBU's Board of Directors, led by the chairman of ERSTU.

Target and Task

The Committee deals with all topics related to River-Sea Shipping and Short Sea Shipping that are relevant to the members of EBU and ERSTU. The topics are fixed in short and long-term programs.

The most important issues in the area of activity of River-Sea Shipping and Short Sea Shipping to be released as a Position Paper and submitted to the Board of Directors for approval.

The RSSC works on the basis of the "Rules for the River Sea Shipping Committee of the European Barge Union" and the "RSSC Action Plan 2016 plus".

The formation of the "Joint IWT Platform of EBU/ESO" has led to a new structure and coordination of work of the committees of EBU. It was decided that RSSC, as well as the Tank-barging Committee and Passenger transport Committee, will be not included in the joint IWT platform and will stay under the umbrella of EBU (see EBU information "Committee structure and co-ordination of work"). In the future the River-Sea Shipping Committee of EBU will stand as the only Committee under EBU. The cooperation of RSSC with IWT Platform of EBU/ESO will be necessary.

After implementation of the "European IWT Platform" the creation of RSSC's nautical and technical working groups for detailed analysis of different problems of the River-Sea shipping will be hardly possible, because RSSC will not have human and financial resources for these working groups. For that purposes RSSC should agree the cooperation with the IWT Platform and use their experts for the solution of the tasks for River-Sea Shipping.

Position of RSSC for selected problem:

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1. Improvement of knowledge and information about the River-Sea Shipping/ Short Sea Shipping and problems facing this industry

The knowledge about the strength and weakness, the benefits and risks of River-Sea Shipping and Short Sea Shipping by governments, administration, international organizations, charters, forwarding agents, ports, logistic companies etc. is not sufficient and improvement of this issue would help to increase support for the development of River-Sea Shipping and SSS by the governments and administrations.

The specific of River-Sea Shipping and Short Sea Shipping, the differences and the overlap between both of them to be considered and explained. The conclusions are recommendations for the development and cooperation between these forms of shipping in Europe.

Recommendations:

- Information about the River-Sea Shipping in Europe at governments, administration, international organizations, charters, forwarding agents, ports, logistic companies etc. in close Cooperation with EBU and SPC Germany.
- Presentations about River-Sea Shipping in Europe on international conferences and meetings of international/national organizations.

- Continuation of series of publications about River-Sea Shipping and Short Sea Shipping in the media of ERSTU, EBU, SPC.

2. Development of fleets for River-Sea and Short Sea Shipping

Since a couple of years the European River-Sea and Short Sea Fleet has a high average age and due to less new buildings the fleet has started to shrink.

The new buildings programs in different countries are very different, and to a great extent depend on ship owners' financial and technical resources and possibilities for investments and innovation.

The short Sea fleet up to 7.000 dwcc consist of Ships older than 25 years of 44 % and new buildings among 3.000 dwcc are nearly dead.

The maritime sector now has to take the initiative to analysis the Short Sea market and to develop new business models with good yields, thus creating incentives for owners to invest in ships again and to renew shrinking fleets in Europe.

The structural change means moving away from the spot transactions of the past 25 years, where the ship was almost exclusively an investment project, back to classic shipping: New builds against loads/employment, the ship as part of the industrial chain, tailor-made ships and designs for the loading side with environmental standards state of the art.

Possible are standard series ships similar to vehicle and aircraft construction (Airbus – Sea-bus). Low unit prices and low capital costs would lead to better yields in the sea freight business.

A large fleet with standard sea going ships and river-sea ships offers more competitiveness e.g. in the operational area, by avoiding ballast voyages or cost advantages through economic of scale by procuring fuels and lubricants.

Under the point of view of environmental standards, new benchmarks have also been set, with new drives and fuels in order to realise relevant savings in the area of CO₂ and NO_x together with a positive impact on social costs in Europe. In an Industrial Society with growing GNP and growing demand to transports we have to transfer more goods to the environmental and energy efficient sea ways to reach sustainable the sophisticated aims of the EC.

Due to the actual discussion regarding LNG we have to remark that this fuel is only suitable for a niche of Short Sea Shipping e.g. Ferries, Liner Ships or similar

services but not for the major part of Short Sea transportations and in particular not for Tramp Shipping. LNG and adequate technology on board is not market ready and we have no sufficient infrastructure of deliveries, therefore we have to use dual fuel technology on a long term. Small ships are too small for LNG Technology. They lose their advantage operating in small ports due to restrictions of length and breadth or they have to compensate this by losing loading capacity and lastly they are less economic caused by higher opex. LNG is no path for River-Sea and Short Sea Shipping.

A possibility could be the hybridization/electrification of the ship engine for new buildings with view on battery technology in the future, or as a lower costs alternative for the running fleet is to supply ship's engines with after treatment (SCR/DPF) devices. But his "extra costs" cannot be payed only by ship owners.

Recommendations:

- National Governments support a general European Solution to foster new buildings. RSS / SSS is an international trade and dedicated to strengthen / for the European single market now and in the future.
- Preparation of building a fleet of new generation vessels, suitable for Big European Circle, ready for a smart European intermodal traffic with road, rail and IWT in close cooperation with EC.
- Information about modernization and renovation of the existing fleet of Short Sea and River-Sea vessels.
- IWT and harmonization of the technical requirements and the technical standards for River-Sea-Ships in the international trade in coordination with the Working Group of the IWT Committee of UNEEC.

3. Market for the River-Sea Shipping and Short Sea Shipping

One of the important commercial issues and challenges is the analysis of the market for River-Sea Shipping, Short Sea Shipping and the inland navigation.

Despite rising demand for transport in Europe, shipping has continued to lose loads to the roads. In our opinion we suffer poor frame conditions for European shipping, uneconomic shipbuilding and uneconomic operating structures in the fleets.

- In order to make river-sea shipping and short sea shipping more competitive we need

1) a significant reduction of port disbursements

less port taxes,

less pilot costs

the owner need the right to determinate the Agency himself which means a saving of 50 %.

2) the lay-days in ports for loading and discharging must be shorted and Saturday should be a normal working day.

3) cost-effective, environmentally-friendly ships and more industrial structures in shipping.

Only on this way RSS and Short Sea Shipping can move goods, save, environmental, and economic also in the future and fulfil his obligation as reliable partner of the industry.

Recommendations:

Port taxes

Ports are often fiscally run and charge their costs according to municipal, regional or national guidelines / fees. As a rule, there is little scope for negotiation to reduce costs. Lines and so-called home traders receive compensation and in some cases particularly environmentally friendly ships. But these measures are not enough to reduce significantly the port costs in order to route more goods via ports.

Measures

Analogous to the road freight traffic, the port tax change to distance / toll systems. Compared to short sea traffic coastal-parallel road traffic in particular has a strong advantage and prevents a sustainable transfer of goods to the motor ways of sea:

On short sea routes, e.g. from Rotterdam to Le Havre, port call costs have a disproportionate share of sea freight; quite different in comparison the long sea voyages from Rotterdam to Taranto. This discrepancy cannot be compensated by the remaining costs such as bunkers and operating expenses in order to be competitive with the road transport industry. As a consequence the maritime sector is losing goods or cannot take over goods from road to sea.

The solution would be a port dues system fed from a fund where everyone deposits for a key and uses it to pay for the ports. For the sea freight calculation low harbor

costs arise on short sea routes and higher harbor costs on long routes and thus the ship would remain competitive with the road even on short distances.

Pilotage fees

Like port dues, pilotage dues are levied according to non-transparent criteria. Driving without pilots and the calculation of pilotage fees are based on ship dimensions that are no longer up to date.

Measures

Tariff systems need to be revised. Fees based on ship length or DWAT are no longer appropriate and should finally take into account the possibilities of digitalization, the modern 4.0 equipment of seagoing vessels, up to new forms of remote control assistance such as air traffic (tower) or rail traffic control centers. Necessary use of digitalization also in view of the lack of junior staff. Involved: National BVMI, Pilot Associations, EU-wide alignment.

Agency Fees

Ship owners are billed according to the recommend rates of the national associations and without order principles. In most cases, the shipper determine the agent and thereby preventing free competition and the highest tariffs comes to billing.

Measures

The solution is simple, the ordering principle must be mandatory. In the NSW system, the declarant (Agent) only need to be determined by the ship owners. Due to traditional use of actually forbidden tariffs we increase the cost of sea freight and finally for the goods. Sea passages becomes uneconomic, too expensive. Involved are: EC for new resolutions/directives. National associations of port agencies should not affect the system.

- Improvement of market observation and analysis for River-Sea and Short Sea. Cooperation with the Central Commission for the Navigation of the Rhine (CCNR) in the market observation of River-Sea Shipping. Support by ERSTU/RSSC for the workshop organized by the CCNR market observation team on European river-sea transport, to be held in Duisburg on September 11, 2019.
- The CCNR market observation team in collaboration with the EU Commission and European Inland Navigation Industry Associations, the Central Commission for the Navigation of the Rhine carries out a regular

market observation of the economic situation in, and development of, the European inland navigation industry. As part of its market observation activities, the CCNR in cooperation with ERSTU/RSSC of EBU has been tasked with the drafting of a study on river-sea transport, which will be published in January 2020.

- Identify ways and measures to reduce the impact of the competitions from the land modes of transport (road and rail transport) on the SSS/river-sea shipping market.
- Lobbying in Brussel together with EBU, Top Organizations, German SPC, BMVI Berlin and Bonn for better support. Apply for cooperation in committees.
- Realization of the recommendations for River-Sea Shipping of the EMMA-Policy Paper “STRENGTHENING INLAND NAVIGATION AND RIVER-SEA-SHIPING IN EUROPE AND THE BALTIC SEA REGION”. ERSTU mentioned the support paper for continuing the project to facilitate the implementation of EMMA recommendations.
- Promotion Position Paper (in Final European Short Sea Master Plan) together with SPC (ECSA) VDR, ZVDS, EBU, MCN and other suitable national or top Organizations.

Conclusion

In order to route more cargo via sea and inland ports, the demand for maritime transport needs to be increased.

First of all, the conditions for shipping must be significantly improved. Port call costs, including port tax, agency fees, pilotage costs and other services, will need to be reduced and port loading and unloading times reduced to make RSS and Short Sea Shipping sustainable more economic.

If the framework conditions are well designed and the demand for maritime transport increases, ship owners will invest in new buildings and put an end to the negative fleet development.

4. Cooperation between River-Sea Ships, Short Sea Ships, Inland Ports and Sea Ports

For a higher efficiency of Short Sea and River-Sea Shipping the improvement of cooperation between vessels, inland ports and sea ports is necessary. The waiting time of river-sea ships in the inland ports and sea ports must be reduced, The practice of “**Friday 5 pm / Monday 8 am**” clauses is a relic of the past and

should be abolished. One of the largest cost factors is the downtimes during which the ships lie in the ports at the weekend. With quicker processing, the ships would have shorter journeys and thus lower costs. In this manner, we would also be able to better stand up to the truck.

Recommendations:

- Analysis of the losses for river-sea shipping and Short Sea Shipping by the waiting time in inland and sea ports and of the reasons for it.
- Proposals for the reduction of waiting time for River-Sea Ships, Short Sea Shipping and all other parts of the supply chain, including negotiations with inland ports, short sea terminals, the unions and shippers to avoid terms like Monday 5 pm / Friday pm as normal working hours which leads to extra costs during Saturday/Sunday/holiday loading/discharging operations.
- Improvement of the coordination and communication between ship and port during the operation process.
- The better knowledge of the English language of the crews on river-sea ships and Terminals in inland ports is very important for a better communication and understanding of the different employees in the logistic chain and in the interfaces. For the River-Sea Shipping it will be very important that also English will be standard for the navigation on all corresponding rivers. On the River Rhine the official languages are German, Dutch and French, but also English must be an official language for the navigation and communication between ships and ports.

5. Digitalization of Inland Water Transport, River-Sea and Short Sea Shipping

The digitalization of Inland Water Transport, River-Sea and Short Sea Shipping is considered critically important for the

- Improvement of navigation and management of traffic,
- Integration with other modes, especially in multimodal hubs (ports),
- Reduction of administrative burdens by reducing the number of B2A declarations. (NSW),
- Unfortunately, electronic customs clearance is still not part of the NSW and therefore it represents a major burden in the free trade of goods by sea.

River-Sea Shipping and Short Sea Shipping needs to be competitive to be integrated in the multimodal transport chains. This is important to increase efficiency and profitability and for cross-border and multimodal integration.

Also the reduction of administrative burden requires further increase of digitalization in shipping.

See also the point 4.3 Digitalization, including recommendations, of the EMMA-Policy Paper (pages 15-16).

Therefore, regulations and operational practices should take interoperability of both sea and inland waterway systems (RIS/VTS) into account.

The presentations and the results of the workshop “**Digitalization in inland water transport**” of the Working Party on Inland Water Transport on its sixty-second session of UNECE on the 3rd-5th of October 2018 in Geneva can be used in the RSSC-Position Paper.

ERSTU took part in this workshop with the presentation about opportunities for river-sea shipping from digitalization. ERSTU addressed various aspects of digitalization and its advantages. For river-sea shipping, this process should build on the achievements of maritime and inland shipping and integrate the processes of digitalization in both sectors.

Following points can be used for the discussion about digitalization in River-Sea Shipping in the RSSC-Position Paper:

- **Policy initiatives in digital transport and logistics, and digital tools for inland waterway transport in the European Union and beyond;**
- **Ongoing international projects and national strategies for inland waterways and river-sea shipping;**
- **Computerization of work and transport documents, streamlining document procedures and data harmonization;**
- **Development of digitalization and RIS technologies;**
- **Application of common standards, platforms and systems;**
- **Safety, need for secure data;**
- **Social aspects of digitalization, education and training standards.**

See UNECE document Report ECE/SC.3./207 pages 12-16.

Recommendations:

- River information services and sea navigation systems (e.g. VTS, AIS) must be interoperable. Newly developed RIS systems should not prevent e.g. sea-river ships to enter inland waterways and vice versa. While developing RIS services further, interfaces to link VTS services needs to be considered. Otherwise some regions cannot benefit from enhanced services developed on the European level.
- To ensure to keep track of RIS service developments and to align VTS accordingly. Existing VTS monitoring should be developed further into a more active traffic control and route planning.
- The use of satellite AIS technologies for the monitoring of river-going vessels on the Russian waterways was presented in the workshop by Morsviasputnik, the Russian Federation. It was mentioned that, following the respective IMO resolutions, there was an obligation to fit commercial sea-going and river vessels with combined GLONASS/GPS receivers. It was described the monitoring system “MoRe”, the principles of vessel monitoring, satellite AIS Classes A and B technologies and equipment for inland water transport and provided recommendations for their application based on previous experience and test results.
- To set up adequate infrastructure to enhance further digitalization and to develop ITS systems further to increase efficiency and safety as well as prepare for autonomous shipping in future.
- To support data exchange and set-up of easy to use information platforms as well as one-stop-shop platform to provide navigational, operative and administrative information on inland waterways. Availability and usage of open data is a precondition and should be sought by all stakeholders. Links between RIS, eTools and other digital applications should ensure future compatibility.

The current legislation for navigation of river-sea ships on IWW has different Rules and Regulations. Besides river-sea ships must comply with ever changing maritime legislation. Also the questions of the civil liability for River-Sea Shipping and of the insurance must be analyzed more deeply to find the weak points.

Ships have to be able to arrive at and depart from ports safely. There have been significant technical developments in electronic navigation in the last 20 years. This technology must be implemented in a RIS soonest. To this day we navigate at great expenses with sea, river and estuary pilots, like in the olden days.

Recommendations:

- Information of the shipowners about problems in the legalization, Civil Liability and Insurance, where an improvement and a solution must be necessary.
- Analysis of these problems and selection of the most important problems from the point of view from the shipping side and ranking of the importance.

Verification of the Pilot-System for river-sea ships (certification for navigation without Pilot, responsibility of the Pilot and of the captain during the navigation and in case of an accident). The ship owners require a relaxation of compulsory pilotage (adequate restrictions), a reduction of fees. Ports have to provide adequate modern and economic electronic navigation systems to keep seaways economic and competitive. At the end the pilot should be on shore to assist the master on board.

6. Infrastructure of rivers used by the River-Sea Shipping

The development and maintenance of the river infrastructure (water level) of Inland Waterways, where the river-sea shipping is possible is very important for the commercial side and the acceptance of this kind of transport.

Recommendations:

- Influence on the construction of the “Program for development of Inland Waterways” on national or international level.

- Information of the RSSC-Members and interested ERSTU/EBU-Members about the “Inventory of main standards and parameters of the E Waterway Network” – “Blue Book” UNECE, Third Revised Edition, European Agreement on Main Inland Waterways of International Importance (AGN), Inventory of Most Important Bottlenecks and Missing Links in the E Waterway Network (Resolution No. 49, revised) and Map of the European Inland Waterway Network (Resolution No. 30).
- Monitoring of the realization of this program with the focus on the liquidations of bottlenecks for river-sea shipping.

The recommendations of the “RSSC-Position Paper” will be included in the “RSSC Action Plan”.