

**MINUTES OF THE
ECASBA PLENARY MEETING HELD AT
THE FOUR SEASONS HOTEL
SYDNEY
AT 9.00 a.m. ON TUESDAY, 11th OCTOBER 2011**

Present:

Mr. A. Belmar da Costa	Chairman
Mr. C. Papavassiliou	President FONASBA
Mr. B.J. Stokes FICS	Vice Chairman

In Attendance:

Mr. J.C. Williams FICS	General Manager
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Mr. R. Garcia Piñero	Argentina	Mr. B. Szalma	Hungary
Mr. J. Dulce	Argentina	Mr. U. Masucci	Italy
Mr. G. Hernandez	Argentina	Mr. G-E. Duci	Italy
Mr. P. Campbell	Argentina	Mr. V. Totorizzo	Italy
Mr. L. Russell	Australia	Mr. F. Carlini FICS	Italy
Mr. G. Gordon Findlay	Brazil	Mr. V. Banovic	Montenegro
Mr. S. Adao	Brazil	Mr. A. Mantrach	Morocco
Mr. W. Rocha Jnr.	Brazil	Mr. M.S.B. Duin	Netherlands
Mr. N. Hristov	Bulgaria	Mr. K.F. Eriksen	Norway
Capt. J. Karmelić	Croatia	Mr. L. P. Storfjord	Norway
Mr. T.D. Paulsen	Denmark	Mr. A. Tablizo	Philippines
Mr. A. Houtved FICS	Denmark	Mr. E. Bandelj	Slovenia
Mr. G.J. Heinonen	Finland	Mr. N. Warner	South Africa
Mr. J. Vikström	Finland	Mr. J. Fernandez	Spain
Mr. S. Lomberg	Finland	Mrs. B. Blomqvist	Sweden
Mr. C. Bele	France	Mr. K. Turkantos	Turkey
Mr. C. Génibrel	France	Mrs. J. Cardona	USA
Mr. J. A. Foord FICS	Great Britain	Mrs. M. Collins	USA
Mr. P.J. Wood FICS	Great Britain	Mr. S. Larsen	BIMCO

Item

Action

1. President's Welcome, Chairman's Opening Address

The **President** welcomed all those present to Sydney and to this first Plenary meeting of the 2011 Annual Meeting.

The **Chairman** also welcomed delegates to the meeting and expressed his thanks to Shipping Australia for hosting the meeting.

2. Minutes of the Last Meeting held Varna, 12th October 2010

With no comments having been received, the minutes **were approved**.

3. Matters Arising

There were no matters arising that were not otherwise covered in the agendum.

4. Brussels Representation

The **Chairman** reminded the meeting that ECASBA had now been undertaking its own representation in Brussels for two years and also updated the meeting in relation to recent meetings in Brussels. His comments covered:

- ECASBA's regular attendance at the Café Maritime lunches – the informal gatherings of ECASBA, ESPO (port operators), ECSA (shipowners), CLECAT (freight forwarders) and EFIP (inland ports), to which senior members of the Commission, European Parliamentarians and other high-level officials were invited and at which very useful "off

the record” information was received and beneficial contacts were made. The lunches were held every 2/3 months with one of the host associations covering the cost. Although the **Chairman** had been to every lunch so far, it was intended to introduce the **General Manager** as soon as possible to enhance ECASBA’s participation

- The attendance by himself, the **President, Regional VP for Europe** and the **General Manager**, at the European Maritime Day event in Gdansk in May. He said that ECASBA had endeavoured to secure another workshop at EMD 2011 but this had not been possible due to the structure of the event. ECASBA had, however, participated in all the activities, meetings etc., and at the same time further enhanced its contacts within DG-MARE and other European institutions. A successful meeting with the Polish association had also taken place during the visit.
- In advance of the EMD event, and as part of the initial actions aimed at securing a workshop in Gdansk, the **Chairman** and **General Manager** had met with Lowri Evans, Director General of DG-MARE and other officials. Although as reported this had subsequently fallen through, he said the meetings had provided the opportunity to reconnect with MARE and confirm that the relationship, and MARE’s ongoing interest in receiving ECASBA’s views on all the issues for which it was responsible, remained strong.
- In spite of the low attendance, the ECASBA seminar in June had proven to be an excellent event. A further discussion on this would take place under agenda item 6.
- Evidence that ECASBA’s views were being noted at the highest level had been confirmed in late September by receipt of a letter from the cabinet of Commission Vice President and Commissioner for Transport Siim Kallas. The letter thanked ECASBA for its views on the Transport White Paper review and confirmed that a number of the points raised by ECASBA were under active consideration by the Commission. A copy of the letter was sent to all ECASBA members upon receipt but is also attached to these minutes.
- Finally, the **Chairman** also reminded delegates that as well as his visits to Brussels specifically on behalf of ECASBA, he also attends regularly on behalf of the Portuguese short sea promotion centre and uses these visits to promote ECASBA as well.

5. Working Group Presentations

The **Chairman** reminded the meeting that ECASBA now had four working groups, Customs & Transit (coordinator Vito Totorizzo), Education & Training (Allan Houtved), E-maritime (Jan-Willem van der Heul) and Short Sea Shipping and Environment (John Foord), which reflected the current maritime policy priorities within the European Commission.

He then asked the three coordinators present to make a report or short presentations on the issues and topics currently under discussion within the groups. Copies of the reports delivered by Mr. **Totorizzo** and Mr. **Foord** are attached to these minutes. The presentations given by Mr. **Houtved** and Mr. **Totorizzo** are available for download from the Members’ Area of the FONASBA website – www.fonasba.com. Mr. van der Heul was unable to be present at the meeting.

At the end of each presentation, and reinforced by the **Chairman** at the end of this agenda item, the coordinators stressed the need for active participation in the groups by as many ECASBA member associations as possible. **National associations are therefore invited to take note of the work of the groups and nominate individuals from within their associations to join those groups. Nominations for group membership should be sent to the Secretariat.**

Assns.

In order to make the best use of the available time during the meeting, the **Chairman** then decided take item 8 ahead of items 7 and 6.

8. European Issues Update.

The **Chairman** invited the **General Manager** to make the first presentation, which covered a range of issues including the Transport White Paper to 2050, the NAIADES (river transport) project, E-maritime (including Single Windows and the Blue Belt), Short Sea Shipping, the newly announced Commission port policy initiative, ship emissions, ship reporting and customs issues. The latter presentation had been provided to ECASBA by Mrs. Maria Manuela Cabral of DG-TAXUD and the **General Manager** delivered on her behalf.

Following his presentation, the **General Manager** introduced Mr. **Szalma**, who delivered a robust critique of the current state of European inland waterway transport away from the core Rhine/Main axis. The presentation reiterated many of the issues expressed by ECASBA to the European Commission in its earlier consultation on the future of the NAIADES project – to which Mr. **Szalma** had made a significant contribution.

These presentations are also available from the Members' Area of the website.

The meeting then broke for lunch.

7. **Responses to Consultations**

The **Chairman** expressed his considerable concern, shared by the Advisory Panel (which had discussed the issue the previous day) and the Executive Committee, at the unacceptable level of responses to the various membership-wide enquires carried out either by request of individual associations or by ECASBA. He said that a review of recent requests for information circulated by the Secretariat revealed most secured fewer than ten responses, which was very poor. He said that most enquiries from the Secretariat were undertaken to ensure that ECASBA was sufficiently informed as to be able to speak to the Commission on a particular issue from a position of authority. When individual associations requested information it was to assist them with a specific local issue but in both cases the assistance of the ECASBA community was being sought and by not responding associations were failing to meet their responsibilities to their colleagues.

Having discussed these points with the at length and in some detail with the membership, the **Chairman** said he hoped that any future requests for information would meet with a more enthusiastic and comprehensive response. If not, he said he would personally contact the secretariats of the delinquent associations to directly request their input.

**Assns.
ABdC**

Before moving on to item 6, the **Chairman** and Mr. **Eriksen** gave presentations on the Blue Belt project and the introduction of single windows facilities in Portugal and Norway. In both of the latter cases, the agency community was fully involved with the development and operation of the facilities.

6. **Future of ECASBA Seminars**

The **Chairman** advised the meeting that a discussion amongst delegates at the Cape Town Annual Meeting had proposed moving to a revised seminar schedule under which a separate Brussels seminar would be held in those years when FONASBA was meeting outside Europe; otherwise the seminar would form the centrepiece of the Annual Meeting Plenary programme. This had been trialled in Varna and whilst it had been successful in securing the participation of Mr. Christos Pipitsoulis from DG-MOVE, it had not been possible to get any additional support from the Commission. There was also concern that leaving Brussels would reduce ECASBA's presence and profile there. During a discussion prior to the 2011 Brussels seminar therefore, it had been agreed by the Advisory Panel to move back to annual seminars, all to be held in Brussels, in order to maintain the profile and the support of the Commission and colleague associations such as ECSA, ESPO and others.

Regrettably, however, the participation of ECASBA associations continued to decline although the level of participation by the Commission remained high and the delegates present were unanimous that subjects discussed were of considerable interest to all ECASBA members. Furthermore, the level of interaction between delegates and speakers was very good.

A survey carried out by the Secretariat into the reasons for the lack of support from associations had only generated nine replies but those had identified a number of common issues that needed to be addressed. These included ensuring the date was set and communicated to members early enough for them to block their diaries and circulating members to seek their input as to which issues would be covered. Opinions as to the value of the event against the registration fee charged were divided but overall most felt that the event was of positive value to the membership and the proposal to continue with annual events, held at the same venue (the Silken

Berlaymont) was endorsed.

At the meeting a number of suggestions that the event be held jointly with other European associations were also put forward. On this latter point, however, it was generally felt that holding combined events would dilute ECASBA's profile in Brussels and the messages it was trying to communicate.

Following the discussion the **Chairman** and **General Manager** agreed to book the venue, fix the date and notify the membership as soon as possible and to request input from national associations on the agenda for the event and the issues to be covered. With these measures being put in place the **Chairman** said that he hoped the attendance at the 2012 seminar would be significantly higher than in previous years.

ABdC
/JCW

9. Any Other Business

None

10. Date and Place of Next Meeting

The **Chairman** advised that the next Plenary Meeting of ECASBA would take place in October 2012 in Venice, with the date to be confirmed in due course.

There being no further business to discuss, the Chairman brought the meeting to a close.

JCW/12.2011



EUROPEAN COMMISSION

Cabinet of Vice-President Siim Kallas
Deputy Head of the Cabinet

Brussels, 23 09. 2011
KF/mc Ares(2011) 1024051

Mr. Antonio Belmar da Costa
ECASBA
THE BALTIC EXCHANGE
St. Mary Axe
London EC3A 8BH
GREAT BRITAIN

Dear Mr Belmar da Costa,

I would like to thank you, also in the name of Vice-President Siim Kallas, for sending us your observations on the recently adopted "White Paper" - Roadmap to a Single European Transport Area. Your comments and observations will feed the ongoing process of preparation of concrete initiatives to follow-up on the strategy outlined in the White Paper.

A very important point in your letter addresses the unnecessary administrative burden which rests on maritime transport and especially on short sea shipping in the European Union. Even though some results have been achieved recently through the adoption of the Directive on reporting formalities (2010/65/EU) and the facilitation of certain customs procedures which enters into force in 2012, there is still room for substantial improvements.

The political ambition and will to address this issue and improve the competitiveness of maritime transport system has been confirmed by Vice-President Kallas, who has announced that a new package for ports will be put forward in 2013. This package will consist of measures aiming at a competitive and open environment in port services provisions, of proposals to improve the transparency of port financing and finally of initiatives on cutting red tape in ports.

Reducing the oil dependency of the transport sector and curbing green house gas emissions, while at the same time satisfying an expected increase in transport demand, is a challenging task, but one that is necessary to pursue. I have noted that you and your organisation fully endorse this central element of our vision.

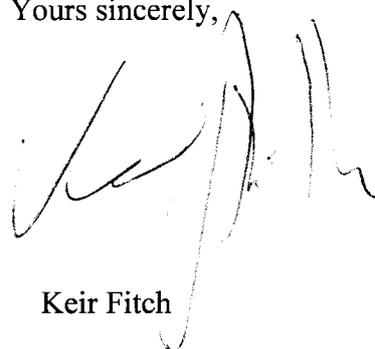
In order to fulfil this demanding task we need to increase the energy efficiency in each transport mode, reduce the carbon intensity of transport fuels and optimise the modal choice for each journey. Policy developments at European and international level will certainly play a role in facilitating these developments, but I would also draw your attention to the responsibility that market players have in confronting the challenges. Transport solutions that are less carbon intensive must be able to attract demand on the basis of improved quality of service and profitability for shippers. This is also key for giving the European transport industry a competitive edge on a world scale.

.../2

As regards the transfer of 30% of road freight above 300 km to other modes by 2030, please note that this should be interpreted as a benchmark to assess progress towards sustainability and not as a very specific and exclusive policy goal to be met with ad-hoc measures. Our entire strategy – which comprises 40 initiatives including a single European railway area, a maritime ‘blue belt’; a framework for inland navigation; e-freight for multimodal transport; and the internalisation of external costs – will hopefully have the effect of encouraging multimodal transport on all distances and not only above 300 km, although we consider that on the longer distances progress is likely to be more pronounced.

Shaping the future of transport is an ongoing process. The European Commission has provided its vision for the transport sector and a strategy to guide actions. It is essential to keep an open and frank dialogue when transforming the strategy of the White Paper into concrete legislative proposals. I see your letter as an important contribution to this process and as already mentioned I encourage you to participate in the consultations on the individual proposals that the Commission will table in the coming months and years.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Keir Fitch', written over a light blue grid background.

Keir Fitch

CUSTOMS AND TRANSIT WORKING GROUP

SYDNEY, TUESDAY, 11TH OCTOBER 2011

PRESENTATION OF THE STATE OF THE PLAY

Dear colleagues,

After the meeting held at the Hotel Silken Berlaymont in Brussels, on the 8th of June 2011, I am glad to inform you about the state of the work updated to the end of September 2011.

I would like to draw your attention, principally, to the following matters concerning the Customs and Transit problems that we experience every day of our work.

MCC (Modernised Customs Code)

As you know the new MCC (REG 450\2008) should enter in force the next 24th June 2013 when all the Implementing Provisions should be completed: In fact the situation is very different.

The new MCC is now under revision and it is foreseen that while we are here discussing the final draft of the MCC amended will be submitted to the inter-services consultants before it is submitted to the EU Parliament and to the Council.

In fact this amended CC will be examined by the above EU bodies not before the next month of December 2011 while it is sure that no other meetings will take place for further examination and/or amendments to the amended CC as is now.

So it is very difficult to understand how a MCC, issued on April 2008, need amendments before it is fully operative; we have been informed that the reason for the amendments is consequent to the signature of the Lisbon Treaty and to the evidence that many of the articles inserted in the MCC were not applicable.

We must be patient because many observations have been made by different bodies representing both Official or private Organizations.

In the meantime the MCCIP continue to obtain attention and observations from the various parties (TCG) and Official as you can note from the following enclosures()

Anyhow, apart from these corrections on the way, the MCCIP will not have any reference to the articles of the MCC recast.

It means that we will have long time before the new MCC comes in force and, in spite of the efforts so far made by all the involved parties, the MCCIP will need again long time for new corrections and amendments. It seems that this Customs Code is "alive and growing day by day" so we will never know when it will be FINAL. (enclosures file 1)

ICS (SECURITY)

ENS

While the MCC recast and MCCIP are on the way, we must underline that the ICS is properly working and the controls on the goods entering and/or leaving the EU are increasing.

From the examination in details of the enclosure (Transit systems) we can see that every month an average of 3.100.000 ENS are communicated and deposited ,that the number of ENS is higher in 6 countries (DE,FR,UK,ES,IT,NL) than in all the other countries, that most of these ENS refer to Air and Sea transportation.

It is also clear that some MS have still difficulties in receiving or answering to the messages...while the error rate is almost Zero but the EU is not yet satisfied. Everybody will work for complying with these requirements.

ECS

From the starting of ECS in 2007 more than 93 millions messages were exchanged and the figure is always increasing so that, every month, there is an average of about 235.000 movements.

The phase 2 of the ECS has been completed at the end of January and no notice about the fines for erro messages are underlined or evidenced. Probably it is a consequence of the fears connected with the amount of the fines; everybody pays more attention....

NCTS

From its starting (2004) about 318 millions messages have been exchanged while the average number of movements per month is about 200.000 and a very low average error rate has been remarked in September (0.22%) in line and stable with the previous months.

(see FILE 2 – trans European system)

E-CUSTOMS

The Commission has paid much attention to the costs for the e-customs 2010.

All the MS have spent in the year 2010 for projects connected with the IT about 122 million euros.

The following is the percentage met by the MS (average) for the following actions/projects:

ICS _ Phase 1 51%

CUSTOMS RISK MANAGEMENT 18%

EOS 12%

NCTS 8%

ECS 11%

These are the costs and the decision about the e-customs and its future is really difficult.

Anyhow the E-Customs is an absolute need for the exchange of goods and their security; the MCC should come in force on June 2013 but, without a common system of control among the 27 MS, it seems very difficult to believe that the MCC (in case the IP are approved within that time limit) and rumours say that the postponement of the entry of the MCC up to the 2020 in order to allow the MS to get an agreement on a common e- custom system for lodging a customs declaration.

(SEE FILE 3 e-customs 2010 progress report + draft report on modernization of customs))

OTHER MATTERS OF INTEREST

A E O SEE REPORT

BLUE BELT SEE REPORT

BPM STATUS SEE (2) REPORTS

GLOBAL CUSTOMS NETWORK SEE (3) REPORTS

Report to ECASBA Plenary Meeting – Sydney 11th October 2011.

Short Sea Shipping & Environment Working Group.

Like most areas of our business at present Short Sea Shipping is suffering, and clearly 'environmental' issues are not as prominent as before. The recessionary period is impacting every aspect of our activities where previously high profile issues have slipped down the pecking order. As a Working Group we have not been tasked with any specific issues which directly affect our members, but we would of course welcome the opportunity to be more active if approached. I will therefore briefly report on two aspects which still affect us accordingly which are, 'pollutant emission' and the European Shortsea Network.

I have studied the Commission working paper on 'pollutant emission reduction from maritime transport and the sustainable waterborne transport toolbox' (another catchy title, but during the parts that I managed to stay awake there are some very significant issues we should be aware of). At European Union level rules on sulphur emissions have been adopted in line with IMO Marpol 73/78 Convention. In a nutshell this means 'all' vessels with effect from 1st January 2015 may only use fuels with a sulphur content of less than 0.1%, and for passenger vessels on a regular service to/from EU ports to use fuels containing a maximum sulphur content of 1.5%. The European designated Control Areas (ECA's) are the Baltic Sea, North Sea and English Channel.

Whilst seemingly simple to implement it will, without doubt, have significant impact on our industry. Compliance is going to be very costly and could lead to a modal backshift to road, which is clearly contrary to the EU's aims in the long term. Unsurprisingly the Commission expects the Industry to meet the costs of research, development and implementation. There appears to be little real support from the authorities to aid shipping lines in achieving the requirements. In the short term most vessels will fit exhaust gas cleaning systems (called scrubbers), but these are expensive to fit and maintain. On the smaller short sea vessels where space and finance are limited, vessel operators may find it difficult to comply effectively. The EU have also suggested the use of LNG, which of course has no sulphur emissions, but converting vessels of a certain age and size is just not practical or cost effective. Also LNG bunker facilities are very limited which would present real problems of supply. It would appear that the EU expect technology to catch up rapidly, but I am not convinced as most Short Sea operators are small companies and simply do not have the resources to invest in technology development and engine manufacturers concentrate on the larger units.

The EU claim to be implementing short term measures to aid compliance, but this is mainly through the TEN-T programme and Marco Polo, but it is difficult to understand how either project will actually aid shipping companies to comply with the requirements. They (laughably) point out the European Investment Bank's lending policy and instruments in support of sustainable shipping, but perhaps they have not noticed the current calamity in the Eurozone, I rather think that a few tickets invested in the lottery may be a better option! Interestingly, they point out that whilst the EU expects ship operators to bear the substantial investment costs, they advise that State Aid measures may apply by way of compensation provided they comply with EU standards. This will probably lead to the more protective governments (who appreciate the value of shipping) supporting their 'flag', where others will be left floundering, leaving a very uneven playing field.

As part of the accompanying measures the EU, under the 2011 Roadmap to a Single European Transport Area, are looking at what support can be given, subject to yet further assessment and validation. They will soon elaborate under the wonderfully named 'waterborne transport toolbox' (I can hardly wait!), what regulatory and non-regulatory measures may assist. This will no doubt entails many committees being established to investigate every option and regulatory process, from which we will gain absolutely nothing. However under the non-regulatory measures they intend to engage with stakeholders to share best practices and enhance the cooperation amongst all interested parties, which may offer ECASBA an opportunity to participate.

In summary, this legislation could have a significant impact on us all as compliance is going to be very expensive and technically challenging. Particularly, older vessels will struggle to comply and we should appreciate that most of the short sea ships working around Europe at present are old. This could lead to a shortage of available tonnage, which will mean costs will rise, particularly in chartered vessels. The fuels costs themselves, both 'low sulphur' and LNG are significantly more expensive, and in the case of LNG, not widely available. Therefore the likely effect is a modal shift back to road.

I will briefly update on the European Short Sea Network who held a recent meeting. Again the most significant topic was the impending impact of the 'emissions' legislation which has already been highlighted. The other interesting topic was that of funding the centres themselves. Obviously during this current economic climate funding is in short supply, particularly from national governments, despite the obvious benefits of short sea shipping. However it appears there may be an olive branch from the EU by way of the Marco Polo programme. However as the recent meeting was actually attended by

non other than Antonio Belmar Da Costa, I will leave him to elaborate further.

Again I would like to emphasise that if any member has any issue they would like the Short Sea Shipping & Environment Working Group to tackle, please get in touch accordingly.

John A Foord
5th October 2011.