



Mid-Term Review of the 2011 White Paper on Transport¹:
ESPO's Views on the Way forward with Europe's Transport Policy

May 2015

Executive Summary

1. With this paper, ESPO identifies a series of priorities for Europe's transport policy taking into account the current trends and challenges of the European port and transport sector. To understand these priorities, it is important to explain the role of European ports. **European ports are real 'multitaskers'**. They are gateways to the world, essential nodes in the transport chain, hotspots for Europe's industrial activity, safe and secure shelters, the link between Europe's peripheral regions and islands to the mainland, key players in the transport of passengers, nodes of energy, facilitators for different other sectors (fishing, leisure, cruise,...) and can be an essential part of an emergency supply chain.
2. The **challenges European ports are facing nowadays** are: growing traffic volumes, which are more and more clustered; ever-increasing ships size and the cost of subsequent adaptation of port and port-hinterland infrastructure; increasing market as a result of alliances between shipping lines; national budget constraints limiting the possibilities of public funding for transport infrastructure; volatility in energy prices, the new energy landscape and the transition to alternative fuels; entry into force of the stricter sulphur limits in ECA countries; an increasing societal and environmental pressure; potential changes in shipping routes; the geo-political situation; further globalisation of business and society and the remaining barriers to the internal market for maritime transport.
3. ESPO believes that the **main Vision of the 2011 White Paper**, which recognizes the growth of mobility and transport, **is more than ever valid**. ESPO moreover supports the ambitious target of reducing GHG emissions by 60%. But, for European ports the modal shift policy has not really delivered. ESPO therefore strongly defends a transport policy that aims at **shifting towards an efficient, sustainable and smart mobility for all modes of transport**.

¹ COM (2011) 144 final

4. *Three guiding principles* are of outermost importance if Europe wants to work towards a competitive and resource-efficient transport system: **coherence** and coordination between EU transport policy and other EU policies, need for a **long-term vision** and ensure that EU action is always assessed in **a global context**.
5. **ESPO identifies the following priorities:**
 - *ESPO pleads for a ports policy that empowers Europe's ports to meet tomorrow's challenges.* In that respect, ESPO members can support a legislative framework that respects the diversity of European ports, which recognizes the autonomy of a port authority to set its own charges and to define a minimum quality level for its service providers. Moreover, such a framework has to take into account the specific character and features of ports, when applying the freedom to organise and provide services. Finally, European ports policy has to ensure financial transparency where ports receive public funding for their infrastructure and/or operations.
 - As regards **state aid to ports**, EU policy makers should provide a pragmatic, predictable and stable environment for port authorities in view of planning their investments, achieving a level playing field, reducing the administrative burden and shorten the timeframes. The EU should also take a consistent approach in the assessment of EU funding and national/regional funding of transport infrastructure.
 - ESPO considers the new TEN-T guidelines and Connecting Europe Facility as the most important achievement of the White Paper so far. The **TEN-T framework adopted in 2013 should remain the cornerstone of Europe's Transport Infrastructure policy** for the coming decades and that this ambitious transport infrastructure plan and its financial envelope should be further defended. European ports are facing important investment challenges. These investments are essential to respond to the expected growth in freight transport volumes, to the continually increasing vessel size, to adapt to new environmental obligations and to prepare for the conversion to alternative fuels. ESPO is further seeking further clarification as regards the added value of being a comprehensive port in the TEN-T network.
 - For ESPO, it is time to lift the maritime frontiers of the European Union. Of all modes, the internal market for maritime transport is the least developed. The Directive 2010/65/EU on the Reporting formalities for ships arriving and/or departing from an EU port has set the scene for progress in the field. But its implementation is encountering different obstacles. To overcome those and get out of this impasse, **ESPO proposes to follow a concrete approach:** the way similar data requirements are introduced should be standardised, the added value and necessity of existing formalities should be assessed in order to limit the further proliferation of formalities, well-functioning Port Community Systems can perfectly continue to be the entry point to the national single window, cooperation between maritime and customs authorities of the member states should be enhanced and DG TAXUD should work with the national customs authorities to develop a solution for giving EU status to goods transported by sea.
 - **European ports can play a crucial role in moving towards a low-carbon transport system and economy.** ESPO asks the European Commission to encourage investments in maritime ports that enhance the role of alternative fuels and energy. Moreover, European ports can play an important role in securing the supply of energy for transport and power generation. ESPO therefore hopes that European policy makers are considering European seaports as

important interlocutors when paving the way for a European Energy Union. Finally, the Transatlantic Trade and Investment Partnership (TTIP), that is currently being negotiated, should include a Chapter on energy as a way to enhance the security of energy supply in Europe.

- *In view of further improving the environmental performance of ports, ESPO asks the Commission in the first place to support the sector-driven initiatives and projects which promote best-practices and result in high European standards in the field of environmental port management. To illustrate this: as part of their environmental management, several European ports reward shipping lines that are taking the lead in innovative technologies by applying reduced port dues to them. Given this pro-active approach of ports, ESPO opposes any top-down initiative to harmonise the different environmental charging systems in ports.*
- *ESPO recognizes that environmental challenges in the EU might differ from region to region. This might lead to different approaches within the EU. European port authorities however believe that environmental policy initiatives should not distort competition between ports.*
- *A cost-recovery system for externalities for all modes of transport can be effective if combined with other measures and initiatives enhancing the optimisation of Europe's transport system: the creation of an integrated transport network, the internal market for maritime transport, digitalisation and administrative simplification. Moreover, ESPO believes that any initiative leading to increased transport costs should be approached with care and should ensure that the result is not ultimately counterproductive to Europe's overall competitiveness. Finally, ESPO opposes the Commission's intention put forward in 2011 to internalise costs for local pollution and noise in ports. Internalising the external costs (local pollution and noise) in ports would mean that ports would have to unfairly bear the externals costs of industries in the ports, costs that are often already borne by the individual businesses through their sectorial legislation and tax regimes.*
- *The European transport sector should seriously look into the untapped potential of further digitalisation. The expected growth in freight traffic volumes is of such an order of magnitude that creating additional transport and port infrastructure in itself will not be enough. A better use of the existing capacity is needed. ESPO is convinced that more efficient use of data and technology in traffic will enhance the efficiency of the European Port and Transport system. As key players in the operation of the logistics chains, linking maritime transport with all other transport modes and with external service and information providers, European ports can play a pivotal role in this process. For European policy makers this development should be seen as a top priority and where possible be encouraged and facilitated.*



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With this paper, the European Sea Ports Organisation (ESPO) wants to outline a series of priorities for Europe's transport Policy taking into account the current trends and challenges in the transport and port sector in Europe, in the context of the mid-term review of the Transport White Paper.

Role of European Sea Ports

To understand the priorities outlined in this paper, it is important to take into account the role European ports nowadays are playing in the European Transport System and to point out how seaports in Europe are drivers of economic growth.

The total quantity of freight handled in EU ports in 2013 was over 3.7 billion tonnes. Almost 400 million passengers pass through Europe's ports every year using ferry and cruise services.²

It is estimated that the European port system supports at least 2.5 million jobs (in Full Time Equivalent), both directly and indirectly³. A recent OECD study⁴ calculated that in European regions, each additional million tons of port throughput creates 300 new jobs in the port region in the short term.

European ports are:

Gateways to the world. Over 75 % of Europe's trade with the rest of the world and more than one third of intra-European trade is shipped through its seaports.

² Source Eurostat

³ Portopia

⁴ OECD study *The Competitiveness of Global Port-Cities* (2013)

Essential nodes in the transport chain. Ports do more than just handling ships. European ports are key in the operation of efficient logistics chains, linking maritime transport with all other transport modes and hosting added value activities. They contribute to the sustainable development of their territories.

Hotspots for Europe's industrial activity. Many European seaports are also home to vast industrial complexes, where freight and other activities are bundled. Industries located in port areas can save transport costs and time.

Safe and secure shelters. Traditionally, a port was mainly seen as a safe haven. While ports continue to provide shelter, they also play an important role in maritime safety and in the prevention of pollution through sophisticated maritime traffic monitoring systems, technical-nautical assistance to ships and facilities to collect waste to avoid discharges at sea. Moreover, ports significantly invest in measures to prevent terrorism, illegal immigration and other criminal activities.

Linking Europe's peripheral regions and islands to the mainland. Seaports contribute to territorial cohesion. For islands and remote areas, the port is vital to the development of the region and to bring those areas closer to Europe's mainland and its markets.

Key players in the transport of passengers. The number of passengers passing through EU ports is estimated at close to 400 million in 2013, most of them are ferry passengers while 3,6% are cruise passengers.

Nodes of energy. Ports traditionally play an important role in the import, export, storage and distribution of energy. Apart from providing services to the offshore oil and gas industry, ports are also closely linked with the building and maintenance of on- and offshore renewable energy sites and increasingly play a role in the provision of alternative energy such as LNG and biomass.

Facilitators for different other sectors. European ports play an essential role for the fishing and leisure industry in Europe. With almost 100 000 fishing boats in operation around Europe (either in fisheries or aquaculture), the fishing industry is relying on Europe's ports. The same counts for the cruise industry, which is booming in Europe. It can only flourish if the cruise ships can be well accommodated in Europe's ports.

Essential part of an emergency supply chain. Because of the geo-political situation and given their location, some European ports are or can become at some point an essential part of an emergency supply chain, in view of ensuring the connectivity of the region with the main markets. These ports should be considered as such in the context of European transport and port policy.

Current Challenges for European Seaports

- Growing traffic volumes in ports, which are more and more clustered;
- Ever-increasing ships size and the cost of subsequent adaptation of port and port-hinterland infrastructure;
- Increasing market power ports are facing as a result of alliances between shipping lines;
- National budget constraints limiting the possibilities of public funding for transport infrastructure;

- Volatility in energy prices in Europe, the new energy landscape and the transition to alternative fuels;
- Entry into force of the stricter sulphur limits in ECA countries;
- An increasing societal (housing, city development needs) and environmental pressure;
- Potential changes in shipping routes following key infrastructure developments (Panama, Second Suez Canal Fairway, Nicaragua Canal, Opening up of the Arctic Route...);
- Geo-political situation;
- Further globalisation of business and society;
- Remaining barriers to the internal market for maritime transport.

A solid analysis of these challenges remains key to the development of an effective European transport and port policy.

Towards a competitive and resource-efficient Transport System

In general

The European Sea Ports Organisation believes that **the 2011 Vision of the Commission for the future European Transport System, in which growth of mobility and transport is recognised, is more than ever valid**. The ITF Transport outlook 2015⁵ sees international freight transport volumes growing more than fourfold by 2050.

ESPO fully supports the ambitious target set in 2011 of reducing Green House Gas emissions (GHG) by 60%, but is also aware of the difficulty to make it a reality. Envisaged actions should tackle the EU transport system in an integrated way and all modes should equally strive to contribute to the sustainability and environmental objectives of the EU.

As key nodal points, **seaports integrate with all transport modes and suffer from their shortcomings and externalities**. ESPO realises that so far Europe's policy of modal shift has not really delivered. European ports believe sustainable modes of transport should play a bigger role in the European Transport system, but policy measures should aim at helping each mode to exploit its full potential and to ensure a level playing field among modes taking into account the diversity of European ports. **ESPO therefore strongly defends a transport policy that aims at a shift towards an efficient, sustainable and smart mobility for all modes of transport.**

For European ports, **three guiding principles** are to be considered in view of effectively achieving the 2011 Vision towards a Competitive and Resource Efficient transport system:

- Need for **coherence and coordination** between transport policy and other policies at EU level (Environment, Customs, Competition, Energy ...). Better coordination at a very first stage of

⁵ OECD/ITF (2015), *ITF Transport Outlook 2015*, OECD Publishing, Paris/ITF, Paris.

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policy making will avoid the development of conflicting policy goals and measures and will result in a more coherent and efficient policy.

- Need for a **long-term vision for European Transport policy**. Well-defined priorities and thought out policies, such as the new TEN-T and CEF policy framework, should not be abandoned to meet another suddenly arising challenge. Adjustments towards concrete action points can be made along the way, but real U-turns in policy are detrimental for attracting investments in transport.
- Ensuring that **EU action is always assessed in the global context**, making sure EU policies do not hinder competitiveness of European companies.

ESPO's Priorities

1. A Ports Policy that empowers Europe's Ports to meet Tomorrow's Challenges

European Ports need an economic and political environment that gives them the tools to face current and future challenges and that allows them to fully use their potential as enablers of economic growth.

ESPO believes that the European Union needs to be a positive force in strengthening port management and port development policy, by levelling the playing field and providing legal certainty and stability on the one hand, while fostering growth and development of ports on the other. Well-performing ports will undoubtedly contribute to the ambition of Europe to establish a competitive and resource-efficient transport system.

In that respect, ESPO members can support a legislative framework that:

- respects the **diversity** of European ports: European ports differ because of their geographical situation, governance model and organisation structure, markets they serve, tasks, size, financing model, competitive position and market power.
- recognizes the **autonomy** of a port authority to set its own charges and to define a minimum quality service level by setting minimum requirements and, where relevant, public service obligations, for its service providers.
- develops a framework for applying the **freedom to organise and provide services applicable to the port sector**, while **taking into account its specific character and features**; such a framework should not hold back strongly performing ports.
- ensures **financial transparency** where ports receive public funding for their infrastructure and/or operations; this should however not result in disproportionate administrative burden. This

implies that port authorities have financial autonomy, both in terms of investment decisions and managing of income.

Moreover, ESPO asks the Commission and EU policy makers as regards **state aid to ports** to:

- provide a pragmatic, predictable and stable environment for port authorities allowing them to develop together with all parties involved (public authorities, private investors, etc..) a long-term strategy for port investments and thus limiting the legal uncertainty that might result from a case-by-case approach of the Commission.
- achieve a level playing field for port investments and operations between ports and transport modes in the European Union but also with third country ports which are in direct competition with EU ports.
- reduce the administrative burden and shorten the timeframes.
- take a consistent (coherent) approach in the assessment of EU funding and national/regional funding of transport infrastructure.

2. Europe's new TEN-T Policy should be further respected and fully implemented

ESPO considers the **new TEN-T guidelines and the corresponding financial framework - the so-called Connecting Europe Facility** - as the most important achievements of the White Paper so far. ESPO gives its full support to the well-defined methodology for the eligibility and priorities of transport infrastructure for the coming years, based on the development of the nine multimodal core corridors which allows **prioritising projects with the highest European added value**. ESPO asks the European Commission to further elaborate and implement this key concept of European added value in order to guarantee the most efficient spending of public transport funds.

The World Economic Forum uses the **quality of port infrastructure** as **one of the key indicators for assessing economic competitiveness**.⁶ Ports are the main entry and exit gates to the European Union. They are the essential facilitators for short sea shipping. European seaports have a crucial function in linking the multimodal corridors with the sea. ESPO hopes that the important role that has been given to European seaports in this new policy will also be further endorsed during the implementation process.

European ports are facing important investments challenges to develop and upgrade port infrastructure and also require an appropriate level of investment in port-hinterland links, particularly in last mile connections (by rail, inland waterways and in some cases road). These investments are essential to respond to the expected growth in freight transport volumes⁷, to the continually increasing vessel size, to adapt to new environmental obligations and to prepare for the conversion to alternative fuels (such as LNG refuelling points and facilities, shore side electricity,...).

⁶ "Global competitiveness Report 2013-2014", The World Economic Forum (WEF)

⁷ ITF Transport outlook 2015, see p. 3 of this paper

The increasing size of deep-sea vessels, limiting the possible ports that can accommodate those ships and implying important investments in adapting the hinterland links, should be considered as an important aspect of the implementation of the TEN-T network.

Overall, ESPO recognizes the priority that will be given to the “core” ports in the development of the multimodal corridors and the financing of projects. **The added value of being a comprehensive port in the TEN-T network** is however often not clear and should be further defined, since one of the main objectives of the TEN-T network is to ensure the accessibility and the connectivity of all territories of the Union and therefore comprehensive ports are essential.

ESPO strongly believes the **TEN-T framework** adopted in 2013 should remain **the cornerstone of Europe's Transport Infrastructure policy** for the coming decades and that this ambitious transport infrastructure plan and its financial envelope should be further defended during the Mid-term review. **ESPO regrets in this respect the negative impact of the Juncker plan and the creation of the European Fund for Strategic Investment (EFSI) on the current TEN-T financial envelope.** By shifting EUR 2.7bn from the general grant part of the Connecting Europe Facility, and thus diminishing the grant funding of transport projects (in non-cohesion countries) by 18%, the Commission is shifting the logic away from the carefully chosen transport priorities of the CEF and TEN-T. Under the EFSI, any European transport project independent of location and mode of transport can receive funding. Moreover, the EFSI does not ring-fence money for any particular type of investments. ESPO hopes that the plea from different European Transport organisations⁸ for cancelling this transfer of TEN-T grants will be heard and that the current CEF-envelope will remain untouched, if not increased, during the financial period 2014-2020.

3. Time to lift the maritime Frontiers of the European Union

The internal market for maritime transport is a key factor for facilitating trade between the EU Member States. **Of all modes, the internal market for maritime transport is the least developed.** In practice and in most of the cases, vessels transporting EU goods from one European port to another are still today considered as coming from outside the European Union. Existing customs facilitation schemes are insufficient and only cover a small part of maritime traffic. This clearly puts maritime transport in a competitive disadvantage with other modes of transport.

Because of the international nature of shipping, it is certainly not so easy to develop an internal market for maritime transport. Ships are visiting several countries during the course of a voyage, but are also combining transport of intra-community goods with goods coming from overseas. Moreover, every country has been developing custom, immigration and other standards independently of each other, which has led to a proliferation of formalities, forms, paperwork and thus administrative burden.

Three categories of formalities can be distinguished:

⁸ See “Open letter on the Commission proposal for a Regulation establishing a European Fund for Strategic Investments” to be downloaded from www.espo.be

- Reporting formalities resulting from legal acts of the Union: these relate for instance to the information required to comply with the Vessel Traffic Monitoring Directive, with the Port Waste Reception Facilities directive, or the ISPS Regulation,...
- FAL forms and formalities resulting from international legal instruments: already in 1960s the maritime nations decided to tackle the problem of the proliferation of reporting formalities in maritime transport and adopted in 1965 the IMO Convention of Facilitation of International Maritime traffic (FAL). This convention defines standard forms for internationally-agreed measures obliging public authorities to work with a standardised format when asking certain formalities. The FAL Convention is not obliging Member States to ask for these formalities but, if they do so, they should be using the FAL forms.
- Individual Member States can ask for additional information based on their national or regional legislation.

On top of these three categories, port authorities need information, such as the draught of the vessel, that is not included in the above, but which is essential to ensure safe port operations.

ESPO believes that the Communication "*a European maritime transport space without barriers*"⁹ and the subsequent Directive 2010/65/EU on the Reporting formalities for ships arriving and/or departing from an EU port have set the scene for progress in the field.

European port authorities acknowledge though that the implementation of the Reporting formalities Directive is encountering different obstacles. To overcome those and get out of this impasse, **ESPO proposes the following approach:**

- Member States and industry stakeholders should be required to work together to standardise **the way similar data requirements arising from the above reporting obligations are introduced**. (E.g. if the crew list is to be transmitted, one should agree on the way and order of organising the data in the form). The final aim is to develop one electronic format, containing the total of data elements that can possibly be required by any Member State. For each port call, the needed data could then easily be extracted and submitted.
- In view of **limiting the further proliferation of required formalities** and aiming at a simplification of the administrative burden linked to maritime transport, the Commission should encourage Member States to **assess the formalities required at national level on their added value and their necessity** since some of them might have become obsolete or irrelevant. They should also encourage the cooperation between regions and Member States in view of streamlining formalities which aim at getting the same information, but are currently asked in a slightly different way. At the same time, the time-limits in which different reporting formalities should be transmitted should be aligned were possible.
- **To accept different systems to achieve the above mentioned goals:** Port Community Systems (PCS) are functioning well and can perfectly continue to be the entry point to the National single window.

⁹ COM (2009)11 final

- To further **enhance the cooperation between the maritime authorities and the custom authorities of the Member States in the reporting of cargo related information**: maritime authorities seek information about the vessel and the cargo mainly for safety reasons. Customs require information mainly related to the cargo for tax and security reasons. Nowadays, the information is submitted several times by the shipping industry. This is not in line with the requirements of Directive 2010/65/EU.
- To urge DG TAXUD and the corresponding national authorities to **develop an appropriate solution (e.g. the customs goods manifest) recognising EU status to EU goods that are transported by sea** and thus put intra-EU maritime transport on an equal footing with the land modes of transport. Finally, port authorities should assess themselves if separating EU and non-EU cargo flows by developing separate port areas is the most efficient and adequate solution in terms of use of port space and infrastructure, investments and related costs.

ESPO recognises that making progress in the field will be the result of a joint effort between national and European policy makers and stakeholders. ESPO is happy to contribute actively to achieve the aims put forward.

4. European Ports moving towards a low-carbon Transport System and Economy

Currently, the European Union is importing more than half of all the energy it consumes. It imports more than 90% of its crude oil, and 66% of its natural gas. Most of these imports go through European ports. Knowing that around 40% of all commodities handled in European ports are sources of energy, and that European ports are as well important clusters of industry prominent users of energy, it is clear that a changing Energy landscape and the development of Europe's Energy Union will be impacting European ports.

ESPO hopes European policy makers will recognise the essential role European seaports play in the supply of energy and in the production, transport and supply of alternative energy sources thus diminishing the dependence on oil in the transport sector and contributing to the decarbonisation of the European economy. **ESPO asks the European Commission to encourage investments in maritime ports that enhance the role of alternative fuels and energy.**

Furthermore, European ports can play a crucial role in securing the supply of energy for transport and power generation. ESPO therefore hopes that European policymakers are considering European seaports as important interlocutors when paving the way for a European energy Union.

Finally, ESPO believes that the Transatlantic Trade and Investment Partnership (TTIP), that is currently being negotiated, should include a Chapter on energy as a way to enhance the security of energy supply in Europe, which would benefit both the European transport and industry sector.

5. Improving the environmental Performance is high on the agenda of European Port Authorities

European ports understand and accept they must ensure that operations and new investments are sustainable in order to secure their “license to operate” and their “license to grow”. Ports know they operate in a certain economic, societal and environmental context. Since European port authorities assume both public and economic responsibilities, they are ideally placed to meet the various challenges that both market forces and society impose upon seaports.

In general, ESPO encourages the Commission to support sector-driven initiatives and projects which promote best-practices¹⁰ and achieve high European standards in the field of environmental port management.

- To illustrate this, as part of their environmental management, several European ports reward shipping lines that are taking the lead in innovative technologies and go further than the current environmental regulations by applying **reduced port dues** to them. ESPO believes that port authorities are best placed to decide whether to apply reductions, which reductions to apply and for which categories of “green” ships. **ESPO opposes any top-down initiative to harmonise the different charging systems or to impose common standards for environmental charging in ports.**
- Port authorities are also developing common standards to estimate ports’ carbon footprint. ESPO endorses the development of the World Port Climate Initiative (WPCI) project on carbon footprint calculation. ESPO also encourages the creation of carbon inventories of the port and the supply chain and the creation of structures and reporting schemes to internalise CO2 self-assessment and monitoring. Through the EU co-funded project Portopia¹¹, **ESPO is currently working on an indicator to measure the carbon footprint of the EU port sector** so that it can be monitored. ESPO is convinced that reducing the carbon footprint of ports and increasing their energy efficiency opens up a wide range of business opportunities for the port sector.
- Through its Ecports network, established in 1996, ESPO has developed different tools helping ports to improve their environmental performance. The well-established Ecports tools, the Self-Diagnosis Method (SDM) and Port Environmental review System (PERS), actively assist ports in their environmental management and are subject to continuous development and refinement.¹² ESPO recognizes that environmental challenges in the EU might differ from region to region. This might lead to different approaches within the EU. **European port authorities however believe that environmental policy initiatives should not distort competition between ports.**

¹⁰ In 2012 ESPO developed its Green Guide setting the overall framework on how European ports address their environmental responsibilities. The green guide can be downloaded from: www.espo.be

¹¹ For more information on Portopia: <http://www.portopia.eu/>

¹² For more information on Ecports: <http://www.ecports.com/>

Overall, ESPO recognises the merits of internalising the external costs of all modes of transport in terms of promoting the more environmentally-friendly transport modes such as short-sea shipping, rail and inland navigation. However, **any initiative leading to increased transport costs should be approached with care and should ensure that the result is not ultimately counterproductive to Europe's overall competitiveness and in particular, to environmentally-friendly transport modes such as maritime transport.** A cost-recovery system for externalities for all modes of transport can be effective if combined with other measures and initiatives enhancing the optimisation of Europe's transport system: the creation of an integrated transport network, the internal market for maritime transport, digitalization and administrative simplification.

Moreover **ESPO opposes the Commission's intention put forward in 2011 to internalise costs for local pollution and noise in ports.** Ports are "nodal points" connecting all transport modes but are at the same time clusters of industry and economic activities of all kinds. Internalising the external costs (local pollution and noise) in ports would thus mean that ports would have to unfairly bear the externals costs of industries in the ports, costs that are often already borne by the individual businesses through their sectorial legislation and tax regimes. This could lead to a double taxation.

6. The Digital Agenda for Ports

The expected growth in freight traffic volumes is of such an order of magnitude that creating additional transport and port infrastructure in itself will not be enough. A better use of the existing capacity is needed. According to the World Economic forum, only about 40% of load capacity is effectively being used today. Moreover, increasing trade volumes will also make the supply chain as such more complex.

To address this challenge, the European transport sector should seriously look into the untapped potential of further digitalisation, use the rapid proliferation of hand-held digital devices, big data, and the "internet of everything". The ultimate aim should be to develop port communities in the Union that function in a transparent way, with all stakeholders submitting digital information to the system, allowing a far more efficient and secure logistic chain and connecting industry. This would lead to a better utilisation of the existing capacity and infrastructure in ports, to more efficient planning regimes in the whole logistic chain and to a higher overall efficiency of the European Transport System. ESPO is convinced that more efficient use of data and technology in traffic will enhance the efficiency of the European Transport system.

As key players in the operation of the logistics chains, linking maritime transport with all other transport modes and with external service and information providers, European ports can play a pivotal role in this process.

For European policy makers, this development should be seen as a top priority and where possible be encouraged and facilitated.

The European Sea Ports Organisation (ESPO) at a glance

The European Sea Ports Organisation was founded in 1993. It represents the port authorities, port associations and port administrations of the seaports of the 23 maritime Member States of the European Union and Norway. ESPO has also observer members in neighbouring countries to the EU.

ESPO ensures that seaports have a clear voice in the European Union. The organisation promotes the common interests of its members throughout Europe and is also engaged in dialogue with European stakeholders in the Port and Maritime sector.

ESPO works through a permanent secretariat in Brussels, a General Assembly, an Executive Committee, and eight specialised technical committees.

More information on ESPO's functioning, initiatives and achievements can be found on: www.espo.be

European Port authorities at a glance

The European Union counts more than 1200 seaports. About 329 ports are TEN-T ports. While the common saying "when you have seen one port, you have seen one port" might be a little bit exaggerate, nobody can deny that European ports are very heterogeneous.

The management of European seaports is in most cases devolved to a port authority, an entity which, regardless of ownership and other institutional features, assumes both public and economic responsibilities. This hybrid character makes port authorities ideally placed to meet the various challenges that both market forces and society impose upon seaports.

Ports realise that, to fulfil this mission, they have to do more - and be allowed to do more - than administering port land and regulating nautical safety. Though essential, these basic functions need to be developed pro-actively in a broader range of tasks that adds value to the wider port community, the logistics chain, business in general and the societal and environmental context in which ports operate.

Notwithstanding their diversity, European port authorities are, or are in the process of, becoming dynamic and commercial port developers. Policy at all levels should help them performing this role.

More information on European ports and their governance can be found through ESPO's fact finding report:

http://www.espo.be/images/stories/Publications/studies_reports_surveys/espofactfindingreport2010.pdf