



**EUROPEAN COMMISSION**

## **MEMO**

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### ***Why do we need the Ports Regulation?***

The EU has an extensive ports network with over 1,200 commercial seaports operating along some 70,000 kilometres along the European Union's coasts. 329 ports belong to the trans-European transport network and 104 of those to the core network. 3.8 billion tonnes of cargo and 400 million passengers passed through European ports in 2014.

Ports are vital for the external trade of the EU and the exchange of goods within the internal market. They help sustain three million jobs and provide access to peripheral and island areas. However, European ports face challenges due to the structural performance gaps, increased size of vessels, new trends in logistics and distribution systems and the need to improve environmental performance.

In order to address these challenges the EU has developed [a comprehensive ports policy](#), with the Ports Regulation being one of its main pillars. This piece of legislation delivers on three of the ten political priorities of the Juncker Commission by:

- **Boosting jobs, growth and investment.** It creates a stable legal framework to improve the investor confidence and level the playing field between ports. Efficient seaports mean efficient logistic chains and ultimately growth and jobs.
- **A deeper and fairer internal market.** It facilitates the provision of port services by framing the conditions under which the freedom to provide services can be restricted and clarifying the rules for their operation throughout the single market and enhances competitiveness of the whole ports system.
- **Climate Action and Energy.** More efficient port services in EU ports will make short sea shipping, i.e. the movement of cargo and passengers by sea mainly along a coast, more attractive, which is needed to reduce congestion and CO2 from transport. This legislation will also enable the integration of external costs in port charges and help facilitate investment in alternative fuels or port reception facilities.

### ***What are the main elements of the Ports Regulation?***

Firstly, it introduces a **framework to attract investments** in ports. One of the reasons identified that hold back investments are the current unclear conditions regarding the public funding and charging of port infrastructure. Rules on transparency of public funding and port charges are introduced to level the playing field between ports, help attract private investments and stimulate more efficient public investments. The transparency rules apply to port managing bodies, dredging and all port services including cargo and passenger handling.

Secondly, it ensures an **open and transparent access to the market** for the provision of towage, mooring, pilotage<sup>1</sup> and bunkering services and the collection of ship-generated waste and cargo residues. It sets out clearly the terms under which conditions any limitations may apply to the number of providers offering these services in a port. It introduces an open tendering procedure for granting the corresponding exclusive or special rights.

Thirdly, it contributes to high **quality port services** by defining minimum requirements such as the professional qualifications of personnel, the equipment required to operate safely and comply with environmental provisions. Furthermore, the Regulation defines the conditions under which public service obligations such as ensuring affordable and permanently available port service may be applied.

Fourthly, the Regulation **enhances the governance of ports** by strengthening the capacity of ports to define infrastructure charges according to their own commercial and investment strategies. It also makes sure that port users and stakeholders will be consulted on important decisions impacting the port activities like infrastructure planning or charging. It also creates a mechanism for handling complains and settling disputes avoiding lengthy and costly litigation procedures.

#### ***How will the proposed initiatives bolster the competitiveness of the EU ports sector?***

The Regulation strengthens the competitiveness of all ports in three ways. First, transparency in the use of public funds means that now we have a level playing field and fair competition. Second, by setting clear rules explaining how to apply in practice the already existing rules of the Treaty on the Functioning of the European Union for the provision of port services, it creates a stable legal environment. Third, a greater autonomy of ports and more systematic consultation of stakeholders will stimulate a more entrepreneurial port culture. Such level playing field, legal security and entrepreneurial culture are a prerequisite for attracting investment and improving the efficiency of port services.

#### ***I am a company that wants to send goods through a port, what is the benefit for me?***

The Regulation will contribute to a more efficient organisation of port services by reducing market entry restrictions, abuses from oligopolistic or monopolistic situations and administrative burden due to better coordination within ports. This will facilitate smooth operations, reducing the time and money required for using the port. This overall improvement of services in the EU ports will bring more choice on the ports and service providers to use.

#### ***I am a port worker: what is the benefit for me?***

For the first time the Regulation highlights the importance of the social elements in the case of transfer of staff as well as for training, health and safety aspects. By ensuring the provision of applicable national legislation the Regulation places emphasis on the social dialogue in each Member State.

#### ***I am a port service provider what is the benefit for me?***

While respecting the different port situations and organisations the Regulation sets a clear framework for the rules guiding the provision of port services. Thus, port service providers

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<sup>1</sup> For safety and public service reasons, Member States may decide not apply the rules to pilotage.

have freedom to provide services in EU ports, while there are now clear and justifiable conditions under which these may be limited.

***I am a pilot, what is the benefit for me?***

Pilotage services organised as public services or undertakings will have to ensure the transparency of their accounts and the charges levied. Regular consultation with users will also have to be held. Due to reasons of safety and public service considerations, it will be up to your Member State to decide if the other provisions on market access will apply. As this Regulation is focused on port operations, if you are a deep sea pilot then there are no changes for you.

***I am a port managing body: what is the benefit for me?***

All port authorities will be able to set their charging policy according to their own commercial and investment strategy, reflecting on the specific situation and challenges they face. At the same time, the transparency requirements and the accompanying legal stability they bring will allow port authorities to attract necessary investments. Therefore the Regulation will help ports to integrate better in the European logistics chain and offer improved levels of services.

***I am a ship owner: what is the benefit for me?***

The provisions on consultation strengthen the voice of all stakeholders who now will have an advance warning and a say on important matters affecting ports. The increased autonomy of ports to set the charges for port services, will allow direct negotiations with the ports, so that charges better reflect the existing market conditions. Also in case of complaints the Regulation requires a clear framework on where and how these can be addressed, reducing the need for litigation. Last but not least, the Regulation will enable investments in port infrastructure and better quality port service to match the ever changing needs of the shipping sector.

***I use ferries regularly, what is the benefit for me?***

Ferries are important links in the European transport system, and are often the lifeline of islands with the mainland. As such they are important for ensuring territorial cohesion and the economic development of these regions. In performing this role, and unlike deep sea vessels, ferries are frequent users of port services. Passenger, are not directly affected as passenger handling services are not included. However, as service levels for ferries will improve, it is expected that this will also be reflected in the ferry services provided.

***I am a port city or a regional government with important ports: what is the benefit for me?***

It creates new opportunities to strengthen ports. More efficient ports means more traffic and logistic activities and competitiveness for the local industry as well as benefits for the final consumer. Improved port performance and investments can also translate to job creation. Transparent use of public funding means better accountability and better value for money of the public funding provided to port activities. The Regulation promotes the internalisation of the external costs of the shipping activities through differentiated port charges based on the environmental performance of ships. This is a clear incentive to improve the environmental performance of the shipping sector and reduce the impact on the local communities.

***What are the next steps for the ports policy?***

Today an agreement at political level on the main elements of the Ports Regulation has been reached. Inter-institutional negotiations will continue in the next days aiming to finalise all elements of the text. Once this is reached, the final text will be submitted for approval and signature by the two co-legislators. The final adoption is expected by the end of 2016.

### **For more information**

The EU's ports policy:

[http://ec.europa.eu/transport/modes/maritime/ports/ports\\_en.htm](http://ec.europa.eu/transport/modes/maritime/ports/ports_en.htm)

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**Sources:** Eurostat