

# Motorways of the Sea

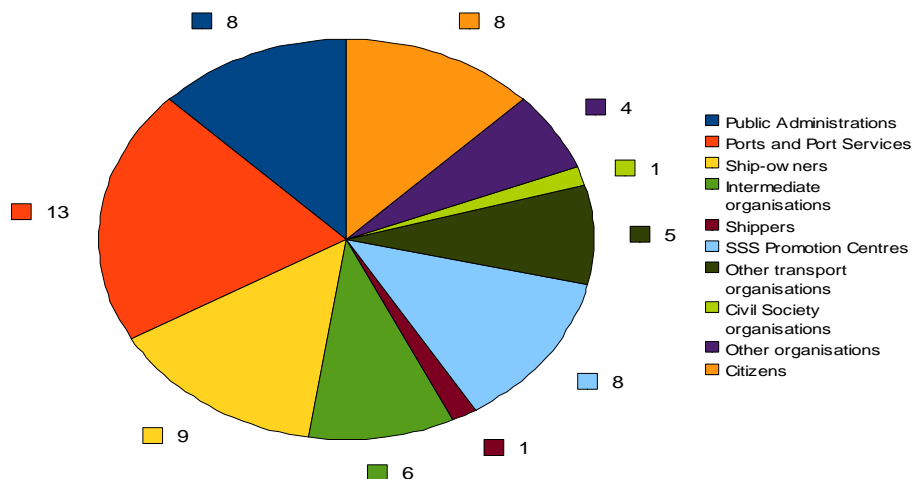
Through its open consultation on Motorways of the Sea (Motorways of the Sea), the Commission services have sought the opinion of the organisations involved in maritime transport on a possible approach to broadening the Motorways of the Sea concept, with a view to preparing possible further specific actions on this matter. The consultation was launched on 18 October 2007 and remained open until 20 December 2007.

## 1. Categories of respondents

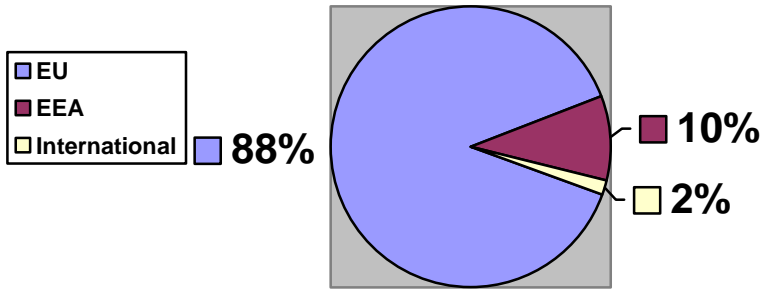
The European Commission services received 62 replies to the open consultation on the concept of "Motorways of the Sea", 54 from professional organisations with an interest in the Motorways of the Sea and 8 from citizens.

The answers received have been grouped as following for analytical purposes:

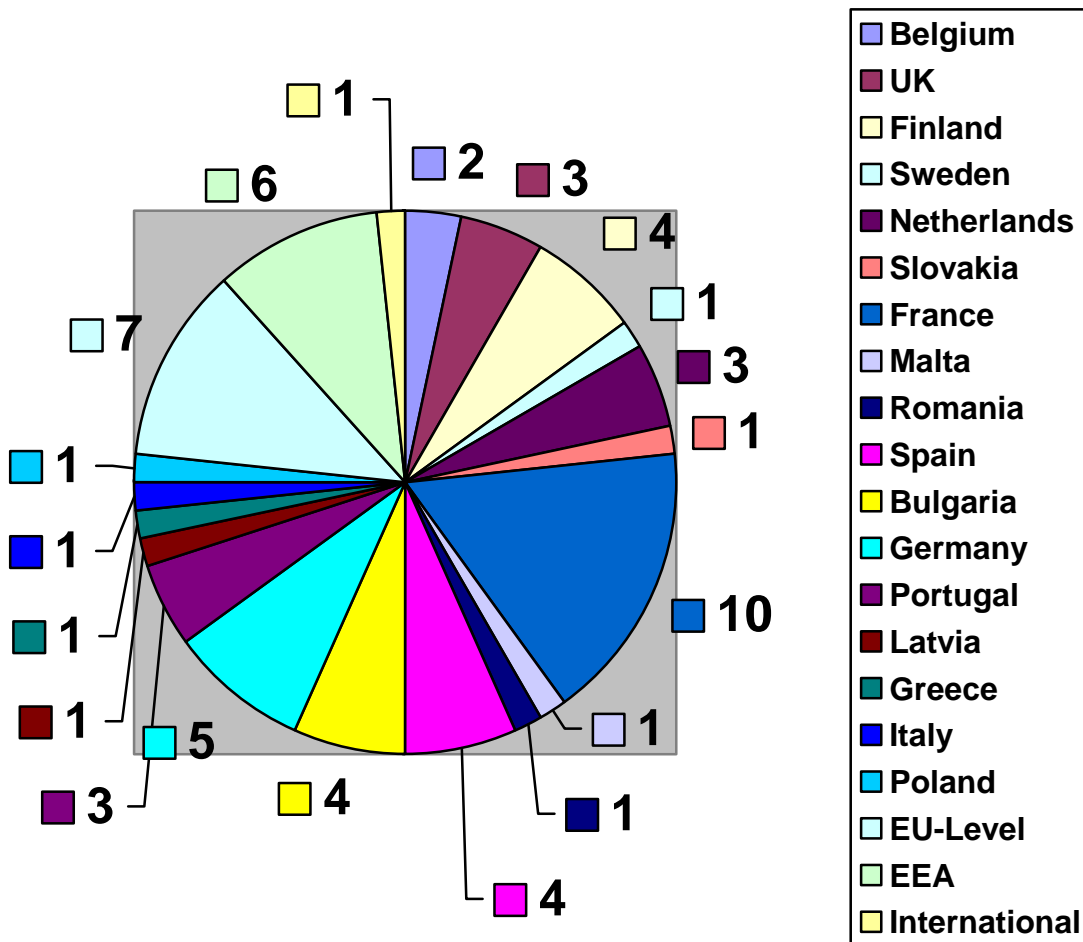
- Public administrations** (8 replies): Including national governments, regional, local administrations and any other non-international public authority.
- Ports and port services** (13 replies): Including Port Authorities, ports associations and port service providers such as towage and pilot organisations.
- Ship-owners** (9 replies): Including ship-owners, associations of ship-owners and shipping lines.
- Intermediate organisations** (6 replies): Including all types of shipping agents (freight forwarders, ship-brokers, transit organisations...).
- Shippers** (1 reply).
- SSS Promotion Centres** (7 replies).
- Other transport organisations** (5 replies): Includes all private transport organisations not focused only in maritime transport (road and rail operators, intermodal logistics companies...).
- Civil society organisations** (1 reply): Includes labour organisations (Trade Unions and staff organisations) and Environmental organisations.
- Citizens** (8 replies)
- Other organisation** (4 replies): Includes every organisation not covered in the previous groups (research institute, business association, consulting firm, development bank)



### Replies by origin



### Replies by country



## 2. Analysis of the responses

The questionnaire on the concept of Motorways of the Sea was structured around three main questions.

The first asked for the opinion of the stakeholders on the possibility of developing common **Key Performance Indicators** (KPI's) to be applied to Motorways of the Sea. The second aimed to know the interest of the respondents in developing a **benchmarking scheme** to compare the performance of the different transport modes. The third sought the stakeholders' opinion on the idea of **EU recognition for Motorways of the Sea** links.

### 2.1 Common Key Performance Indicators for Motorways of the Sea

#### **Public Administrations:**

The public administrations that responded to the consultation do not have a common position with respect to the development of harmonised KPI's for Motorways of the Sea.

The majority of respondents (62.5%) support such an initiative considering that: *"KPI's could be used as key criteria in evaluating Motorways of the Sea project proposals and in selecting projects for public funding through different funding instruments"*; some others (25%) do not perceive the real added value in such an action and fear an increase of administrative burden.

Unanimously, public administrators point out that in order to be successful, the development of KPI's should involve the industry players, be based on previous work, and that KPI's should be easy-to-measure and non-bureaucratic.

#### **Ports and Port Services:**

In general, Port authorities are not particularly interested in developing generic KPI's for Motorways of the Sea because they do not perceive any added value in the initiative. Nevertheless, a certain number of individual Port Authorities would agree with the development of KPI's certain conditions were satisfied:

1. *"The KPIs should be accurate and measurable"*.
2. *"There must have the common and widespread support of all actors involved in the project, particularly market parties. Market parties have to see the direct benefits of KPI's, so KPI's should solve existing problems without leading to new ones"*.
3. *"A common shared understanding on how to use the indicators and for what specific purpose has to be developed"*.
4. *"Simplicity and transparency. KPI can not cause an extra administrative burden for the market parties"*.
5. *"The agency responsible for the publication of such KPIs should have broad professional recognition"*.
6. *"Specific conditions in certain ports must be taken into account"*.

#### **Ship-Owners:**

Ship-owners are generally not in favour of developing harmonised KPI's for Motorways of the Sea. Their concerns refer to the difficulties to introduce generic KPI's that could fulfil the necessities of each shipping company. *"Many shipping companies have developed performance indicators/targets with their customers on supplier/client basis. In this respect it should be realised that it is in the first instance the market that decides on quality. Besides, it is evident that there is no overall market scene: each customer has specific service requirements. European ship-owners are of course interested in taking part in considering the viability and added value of very general performance criteria. However, it is questionable whether a harmonised one-size-fits-all performance system would be relevant and workable"*.

### **Intermediate organisations:**

Agents do not present a unanimous voice in this topic. Even umbrella organisations express contradictory positions regarding KPI's for Motorways of the Sea. Most supportive comments refer to the fact that *"KPI's could be an early warning system that gives notice of a build up of underperformance that will result in a failure"*.

Additionally, intermediate associations make the following remarks:

- 1-*"They should accurately reflect the needs and requests from users of Motorways of the Sea and SSS services (including the differences among regions)"*.
- 2-*"Be kept to a minimum (not compulsory use of key performance indicators)"*.
- 3-*"Be as simple and user-friendly as possible in order to avoid an administrative burden that would make the system less appealing"*.

### **Shippers:**

The shippers association would agree to actively participate in the development of KPI's.

### **SSS Promotion Centres:**

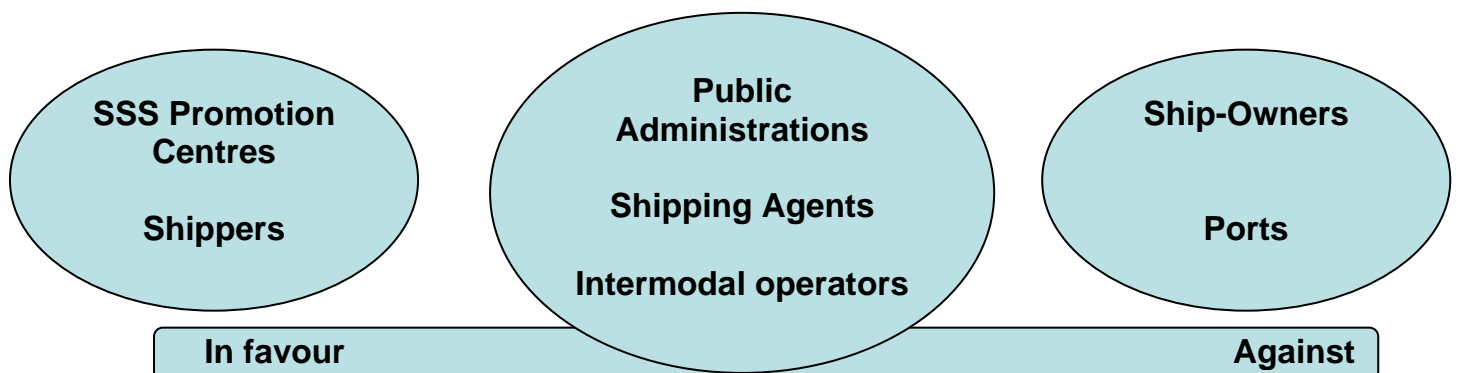
SSS Promotion centres strongly support the initiative of developing KPI's as *"they would be useful as quality criteria for the Motorways of the Sea in selection of the projects as well as for further development of the Motorways of the Sea projects. Transparency in the selection of projects would be reinforced"*.

Nevertheless, they also point out that finding KPI applicable in all circumstances is almost impossible due to the geographical and market differences. Additionally, they remark the necessity that industry players find concrete benefits in those KPI's.

### **Other transport operators:**

Intermodal organisations suggested that the crucial success factors for widespread acceptance of KPI's are that they *"should be based on typical common measurable business related data. They should preferably be able to measure performance in terms of time and costs saved"*. Nevertheless, some negative comments from intermodal operators refer to *"such indicators already exist for Short Sea Shipping and therefore they would not bring any added value"*.

## **Stakeholders' position on harmonised KPI's for Motorways of the Sea**



## 2.2 Benchmarking scheme

### **Public administrations:**

Regarding the development of a benchmarking scheme, the public administrations that replied to the public consultation express a variety of opinions. 50% of the respondents are in favour while 37.5% are against of such exercise.

Favourable comments refer to the usefulness of comparing the performance of the different transport modes. Concerns are similar to those stated for KPI's. Moreover, it was stated that *"any development on this topic should be left to the sector initiative" and that "the performance within each mode of transport can vary considerably from case to case, which means that certain generic benchmarks do not necessarily give a very representative picture of the performance of a mode of transport in general"*.

### **Ports and Port services:**

Ports in general have mixed feelings about the proposed benchmarking initiative. Some individual ports however express favourable opinions and make the following considerations:

1-*"The benchmarking scheme could only be carried out if all the ports and the operators of other transport modes also take part"*.

2-*"The development of a benchmarking scheme could not disclose commercial in confidence, economic and market prices information of the Motorways of the Sea providers"*.

3-*"For certain services and routes, the results could be "counterproductive" for the promotion of SSS"*.

4-*"Duplication of benchmarking schemes should be avoided, so existing schemes should be firstly assessed"*.

### **Ship-Owners:**

The ship-owner's position to developing a common benchmarking scheme in order to compare the performance of different transport modes is similar than it is for developing harmonised KPI's. Some individual ship-owners are positive and consider that benchmarking would allow to *"obtain more efficient economic and environmental logistic solutions and benchmarking would expose the benefits of many alternative intermodal modes to shippers that could then take better informed decisions when buying services"*. Nevertheless, concerns on how to take out relevant information from the comparison between transport modes remain, as well as the concern that the exercise should be kept close to the industry point of view.

Ship-owners' position could be summarised by the following contribution: *"European ship-owners are fully prepared to consider the viability and the usefulness of establishing and where appropriate using benchmarking schemes. However, it is questionable whether a one-size-fits-all system would be relevant and workable"*.

### **Intermediate organisations:**

The majority of the agents would support the benchmarking exercise for Motorways of the Sea, but some also highlighted that it could *"highlight the weak points of intermodal and that hence the single transport solutions (particularly road transport) could be benefit from benchmarking"*. Additionally, intermediate operators stress that a benchmarking scheme that should not harm competition and should be based on agreed KPI's.

### **Shippers:**

The shipper's association would welcome the development of benchmarking scheme because *"it will give shippers a tool to compare different transport solutions and different transport*

companies on a given freight corridor, and a tool for the transport companies to measure themselves in order to increase the total transport quality".

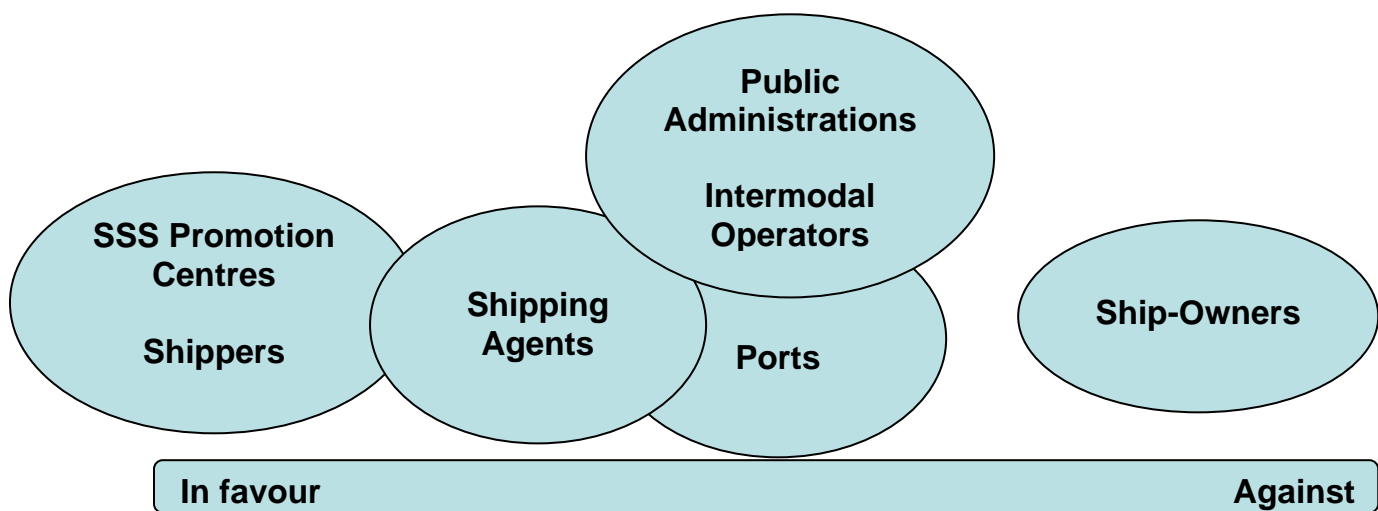
**SSS Promotion centres:**

SSS promotion centres believe that benchmarking would be "useful for the transport operators and shippers to compare the transport options and their impacts on the environment, costs etc". Additionally they suggest to emphasise benchmarking between intermodal and unimodal transport chain.

**Other transport operators:**

Intermodal operators consider that "the knowledge on cost and time performance of different transport modes would contribute to increase co-modal transport".

**Stakeholders' position on benchmarking scheme**



**2.3 EU Recognition to Motorways of the Sea links**

**Public administrations:**

75% of the public administrations that responded to the open consultation agree with the recognition at EU level of Motorways of the Sea links "because it is a good way of encouraging successful SSS links that could lead in the future to a simplification of administrative procedures". However, they do not express common ideas on how Motorways of the Sea links should be identified, on to who should receive a label, on who should be responsible for assessing the links that fulfil the criteria and on who should give the recognition. Critical voices among public administrators pointed out that any recognition of quality should generally be left to industry as the market.

**Ports and port services:**

Ports in general question the added value of an EU label for Motorways of the Sea, even if a number of individual ports would agree with this recognition based on individual benefits. They feel that it represents an "unclear mixture of government and commercial initiative".

**Ship-owners:**

Even if some shipping lines express a favourable opinion, shipping lines generally are opposed to this initiative. They question the merits of a "one-size fits all system" and are

concerned by the *"lack of clarity on what such recognition would mean, particularly the relation between Motorways of the Sea recognition and funding from TEN-T and Marco Polo and the institution that would be responsible for assessing the fulfilment of Motorways of the Sea criteria"*.

Certain ship-owners consider that *"the stakeholders' consultation on Motorways of the Sea does not address the sector's main challenges and call for a more important role to be played by the European Commission, together with the European Motorways of the Sea coordinator, for the development of the Motorways of the Sea links."*

**Intermediate organisations:**

Shipping agents also expressed their concerns with EU recognition to Motorways of the Sea links because of the possibility of distortions on competition, although there are also some supportive comments referring to *"the opportunity to attract additional freight flows and receive EU support for improving service efficiency and maintaining high service quality"*.

**Shippers:**

Shippers are not in favour of recognition on Motorways of the Sea because the benefits of such initiative are not clear and because of the fear that such recognition might lead to market distortions. They believe that successful links should not need financial support and non-profitable routes should not be maintained permanently through public subsidies.

**SSS Promotion Centres:**

SSS promotion centres are divided on this topic. Nevertheless, all agree to state that for recognition to become successful, it *"should create added value for the market players and should not be bureaucratic, otherwise the reluctance of the industry to accept this label would make the initiative fail"*.

**Other transport operators:**

Some organisations consider that Motorways of the Sea *"recognition could help the less congested ports to attract new traffics"* while negative comments on this topic refer to *"the increase of administrative burden without providing any added value"*.

**Stakeholders' position on EU recognition for Motorways of the Sea links**

