



INE opinion on the draft regulation on the granting of Community financial assistance to improve the environmental performance of the freight transport system COM(2002)54

INE welcomes the new "Marco Polo" program for the promotion of cargo shift to environmentally friendly modes. Under the PACT-programme, only a few inland navigation projects were realized, although they were successful. INE appreciates the widening of the support to modal shift projects in all segments of the freight market.

INE fully subscribes to the **positive** approach of the proposed program:

- Fostering modal shift projects with regard to all commodities instead of only combined transport of unitized cargo;
- General approach of the program: start-up support, support for launching services and common learning to take away deficiencies and to stimulate replication and best practices;
- Flexibility to react to changing market trends;
- Flexibility with regard to particular regional situations;
- Flexible administrative framework for selection of projects;
- Enhancing co-operation in the multimodal sector;
- Actions may involve countries neighbouring the EC;
- Fostering initiatives doing away with existing barriers of all type.

Notwithstanding an overall positive evaluation, INE has the following **concerns**:

1. Geographic scope

Cross-border projects form the cornerstone of the new Community program with a possibility of extension to certain non-EU countries. INE advocates supporting projects on national territory of member states but with cross-border effects.

2. Objective of modal shift: transparency and pay back

- Although the primary goal of Marco Polo is to shift cargo from road to less damaging modes, there is no transparency control mechanism to prevent that traffic is diverted from another environmentally friendly mode;
- The new program should make a real contribution to a modal shift. INE feels that only a pay back clause ensures that applicants submit promising projects and bring it to a successful end.

3. Subsidy threshold

The minimum subsidy threshold of respectively € 1 million and € 3 million is very high for operational aid. Positive and effective modal shift results can be reached with lower subsidies. The European Commission self-evidently may wish to limit the number of projects for an efficient administrative follow-up, but this may exclude SMEs from participation that are particularly active in waterway transportation. This would limit the final modal shift result and undermine the objectives of the Lisbon European Council for creating a friendly environment for SMEs.

4. Motorways of the sea

- This expression, already used in the white paper, might create the impression without further definition that the scope is limited to short-sea operations. INE strongly advocates that the EC does not address a priori a preferential treatment to any environmentally friendly mode. Priority should be attached to those projects that really generate traffic, since they will contribute to a maximal modal shift. This should be the main objective of a sound mobility policy.
- Inland navigation and maritime transport on waterways offer the advantage of turning "motorways of the sea" into reality starting inland close to production and consumer centers and to reduce road hauls to a strict minimum. Sea-river shipping e.g. provides alternatives for traffic crossing sensitive zones such as the Alps and the Pyrenees. This additional potential should be included in the notion "motorways of the sea" to strengthen its action field.

5. Political priority targets

The political priority targets for catalyst and common learning actions that will be defined by the European Commission should only be indicative and not prescriptive, since a restricted set of targets could very well exclude other actions which might have a vital impact on modal shift. INE refers inter alia to:

Catalyst actions

- Stimulation of the setting up of inland waterway hub and spoke systems;
- Stimulation of short distance inland navigation services;
- Stimulation of technical innovation and ICT to raise intermodal performance of waterway transport.

Common learning actions

- Stimulation of the image correction of inland shipping (information on the use and its capabilities in an intermodal chain - inland shipping is not in the "yellow pages" of logistics management);
- Improvement of the access to free capacity on the waterway;
- Set up of European training programs for freight forwarders and logistics providers to encourage the use of environment friendly transport in transport chain solutions;
- An inter-active bottleneck exercise involving all public and commercial parties examining which barriers prevent the development of waterway transport. The key objective should be pragmatic: how to attract more industry to use European waterways in an intermodal chain. The result should be a set of best practices encouraging Member States and other actors to take appropriate action.

6. Accessible administrative framework

A lot of actors in inland waterways business are SMEs. The program should provide easy and non-discriminatory access for big as well as small players according the objectives of the Lisbon European Council, when they present interesting modal shift initiatives. Red tape should be avoided in a way that submission conditions are transparent enough and no consultant assistance is necessary to fill out project forms.

In this respect, INE suggests the following **amendments**:

Article 3.1(c) new – Geographic scope

Involving in exceptional cases the territory of one Member state, but having a significant and demonstrable cross-border effect.

Articles 5.1(a) and 6.1(c) – Objective of modal shift: transparency

The modal shift/catalyst action is forecast to lead to an actual, substantial and sustainable modal shift of freight transport from road to short sea, rail or inland waterways. **The applicant submits evidence that traffic will not be diverted from another environmentally friendly mode. If this would be the case, the applicant must show that the road leg has become substantially shorter.**

Articles 5.5 and 6.6 - Subsidy threshold

The minimum subsidy threshold per modal shift action shall be **500.000** EUR.

The minimum subsidy threshold per catalyst shift action shall be **1,5 million** EUR.

New articles 5.6 and 6.7 - Objective of modal shift: pay back

When the applicant does not realize the forecast target agreed in the subvention contract, the Commission will reclaim a part of the subsidy in accordance with the final result of the project.

Article 6.1(b) – Motorways of the sea

The catalyst action is innovative on a European level, in terms of logistics, technology, methods, equipment, products or services rendered. ~~**In this context, catalyst actions enforcing the concept of "motorways of the seas" deserve special attention;**~~

Articles 6.5 and 7.5 – Political priority targets enforcing recital 7

The Commission shall make known, through publication in the OJ of the EC, on or before the first publication of the invitation to submit catalyst action under this regulation, **an indicative list of** political priority targets for such actions in the selection procedure. ~~**It shall put specific emphasis on actions enforcing the concept of "motorways of the seas".**~~ The Commission may review the **indicative list of** political priority targets from time to time.

Article 8 – Accessible administrative framework

The Commission shall issue detailed rules for the procedure for submission, selection, execution, dissemination and individual reporting and verification requirements concerning actions under this regulation in accordance with the procedure referred to in article 11(2). **The Commission shall take into account the presidency conclusions of the European Council held at Lisbon on 23 and 24 March 2000.**

In addition, INE draws the attention to the following:

- It is positive that ancillary infrastructure is not excluded from the scope of the new program. The possibility to moor and to load/unload a barge on the riverbank is the first step to enable intermodal traffic, as it offers physical access to the waterway (comparable to an exit on the highway).
Improving user access and connections implies providing the appropriate access-infrastructure so much requested by shippers to shift cargo. The Marco Polo budget will not be able to solve all problems. The white paper on transport refers correctly to the need of interconnecting optimally the transport modes and suggests establishing and upgrading multimodal waterway links. Shippers and transport operators will welcome promotional measures at European level.
- Respecting the principle of subsidiarity, the EC program will focus on international projects. In order to enforce the promotion for alternatives to road freight transport, INE advocates that Marco Polo sets guiding principles for supporting modal shift projects at Member States' level. A general European framework, setting out the conditions for national support guarantees that the support is in line with the state aid rules of the EC-Treaty. A general framework ensures transparency on the support given to national projects and may lay down criteria to avoid the distortion of competition between Member States.

INE is looking forward to a constructive dialogue with the European Institutions and all involved partners.

Brussels, 28 February 2002