

**Baltic Sea Parliamentary Conference
Working Group on Integrated Maritime Policy**



To the:
Representatives of Parliaments,
Parliamentary Assemblies,
Institutions and Working Group Members
of the Baltic Sea Parliamentary Conference

25th June 2010

Abstract of the 3rd Session of the Working Group on “Integrated Maritime Policy, especially infrastructure and logistics” in Copenhagen on 15th June 2010

The 3rd Meeting of the Working Group on “Integrated Maritime Policy, especially infrastructure and logistics” was held in Copenhagen under the chairmanship of Ms Lisbeth Grönfeldt Bergmann (Nordic Council, Sweden) in the premises of the Danish Folketing on 15th June 2010. 34 representatives from 13 parliaments and parliamentary assemblies in addition to 5 experts attended the meeting.

In the first segment of the session representatives from the Council of the Baltic Sea States, the world’s largest shipping company: A.P. Møller Mærsk Group, the Danish Shipowners’ Association, the European Environment Agency as well as the Danish Maritime Safety Administration informed the participants about co-operation to improve maritime safety and security, the effects of the designation of the Baltic as an Emission Control Area (ECA) with regard to strategies of shipping enterprises, measures for the improvement and extension of Short Sea Shipping, economic demands on environmentally friendly ports and Green Shipping, environmental aspects of shipping in the Baltic as well as the EfficienSea Project which aims at the improvement of the Baltic with a focus on the environment and the safety of navigation.

Ms **Raimonda Liutkeviciene** (Council of the Baltic Sea States) explained the work and co-operation of the CBSS Expert Group on Maritime Policy with other institutions involved in these political fields. She underlined that she was very pleased with the systematic exchange of information between the relevant working groups of CBSS and BSPC. She remarked that the working group was constituted in 2009 with a mandate for three years. The chairmanship rotated on an annual basis; this year it would pass on from Lithuania to Germany and in the next to Norway. According to Ms Liutkeviciene the working group defines itself as a platform for the exchange of information in the Baltic Sea region, for the purposes of initiating maritime clusters, bringing together science, research and support projects, as well as identifying gaps in strategic projects (e. g. SubMariner, BaltSeaPlan, EfficienSea and Clean Baltic Shipping). In the long run it was also intended to raise public awareness of maritime affairs and promote a “common Baltic identity“. One key result had been the Baltic Sea Action Summit held in Helsinki at the beginning of 2010, under Lithuanian leadership. Finally Ms Liutkeviciene suggested presenting the collaboration results obtained jointly with the BSPC Working Group on Integrated Maritime Policy during the European Maritime Day on 20th May 2011 in Gdansk.

Mr Niels Bjørn Mortensen (A.P. Møller Mærsk Group, Mærsk Maritime Technology) cited the Baltic Sea as an example for an Emission Control Area and explained how the A.P. Møller Mærsk Group met its international obligations relating to the protection of the environment in maritime transport. He explained that the group which was the largest container shipping company worldwide had more than 250 large vessels. In addition to that, the same number of vessels was chartered. In this context the company felt obliged to prevent environmental and climatic damage caused by ship operation. The focus was put on the gradual transition from sulphur-containing heavy fuel oils to low-sulphur distillate fuels – as requested by the IMO – and the application of flue gas desulphurisation technologies. He continued that a reduction of sulphur content to 0.1 % in marine fuels from 2015 was feasible for larger companies since the difference in price between fuel of 0.5 % and 0.1 % sulphur content was presently only 10 USD/t. In addition, the oil industry increasingly managed to find cost-effective ways to produce low-sulphur distillates. In regards to the possibility of prescribing low-sulphur fuels for the Baltic Sea region at an earlier date than proposed by the IMO, Mr Mortensen stated that, in a global context, this had been already applied off the coasts of the United States and Canada. So far there was evidence of neither distortions of competition nor a short supply of low sulphur-content marine fuels. The line shipping sector had adapted to these conditions on a voluntary basis. He attested that neither bio fuels nor nuclear fuels the potential to replace mineral fuels in maritime transport. Considering both costs and technical complications, this could only work with LNG. But first a sufficient technical infrastructure needed to be established in ports. Furthermore, the transport capacity was reduced by the larger LNG fuel tanks. In contrast, onshore power supply (cold ironing) for vessels in ports could only lead a “niche existence“ due to technical obstacles and the considerable effort involved. He rejected subsidies for maritime shipping, arguing that the maritime sector had to practise sustainable management policies.

Mr Jan Fritz Hansen (Danish Shipowners' Association) illustrated that his association represented 100 shipping companies, which transported approximately 10 % of the world's transport tonnage. He stated that shipping companies working mainly in the Baltic Sea region were much more affected by the designation of the Baltic as a SECA than companies working on an intercontinental basis. Nevertheless, a notable shift from sea to road transport had not yet been observed since sea transport offered substantial economic and ecological advantages under the existing general conditions. Considering the fact that shipping traffic will further increase, he continued, emissions of sulphur dioxide had to be reduced. But the gradual reduction of sulphur by more than 90 % as agreed via the IMO marked a significant technical and economic challenge for the companies affected. This is why there was a close cooperation with research and development institutes in this field. The purpose was to reduce the CO₂ emissions by 30 % and the SO_x- and NO_x emissions by 90 % each in the near future. The measures for the realisation of these goals shall be managed in Denmark or across Scandinavia respectively by a so-called “industrial group“. With respect to the expected costs, however, the companies also discussed whether a reduction of the sulphur content in marine fuels to 0.5 % was not more cost-effective than the application of new technologies. Therefore in 2018 a study on the global consequences of the designation of ECAs would be submitted. This might possibly lead to a revision of Annex VI of the MARPOL Convention. He continued to point out that it was the aim of the Danish Shipowners' Association to gain more flexibility for the companies during the current transition period. Only the use of LNG as marine fuel on a broader scale allowed a quick reduction of the pollutant emissions. But this would fail, predominantly due to the lack of the required infrastructure. He also pleaded for the reduction of subsidies for the shipping sector which in his opinion constituted a distortion of competition. He requested that the criteria for measures in the framework of TEN-T and for the development of Motorways of the Sea be modified in such a way that European funds could be used for the establishment of an LNG infrastructure across the Baltic Sea.

Ms **Jaqueline McGlade** (European Environment Agency) started her presentation with an overview of the goals and the organisational setup of EEA. She explained the agency followed a holistic approach for the analysis of the state of the environment and for the assessment of the anthropogenic influences on the environment. Special attention was given to how the specifications made by the European environmental legislation were implemented in the respective fields of politics. In addition, emission inventories and analyses among other accounts were conducted with respect to the impact of landside transport corridors, while intermodal transport and the optimisation of transport chains were also evaluated. She criticised that the respective member states often delayed turning in their data to the EEA. As a particular environmental problem in the field of maritime shipping she pointed out the introduction of invasive species into the seas through ballast water. Due to the changing conditions (e. g. climate change, nutrient and pollutant emissions), more and more invasive species inhabited the Baltic Sea, thus competing with and threatening local species. Ms McGlade pointed out that there was no single cause, but rather a combination of many causes which led or had led to a drastic negative change of the Baltic Sea biotopes. In regards to environmental monitoring, she underlined that the instruments of air and satellite surveillance constituted great progress towards the localisation of pollution discharges, which in turn had led to a significant decrease in the illegal discharges from ships. She attested that the European shipping companies had a high level of cooperation when it came to providing information on the quantification of emissions relevant to the climate. As for the negative effects of maritime shipping, she explained that the resulting pollutant emissions (especially sulphuric oxides, nitrogen oxides, airborne particles and volatile organic compounds) deteriorated the air quality particularly in northern Europe, increasing the mortality rate. She stated that the reduction of the sulphur content especially in marine fuels would lead to a considerable reduction of air pollution. She considered the financial effort associated with the use of low-sulphur marine fuels as being cost-effective, since the expenses for the countering of negative effects on the environment and on the population were considerably higher than the investments to be made. This position had public support. Closing her presentation, Ms McGlade welcomed the political recommendations proposed by the working group for the 19th BSPC.

Mr **Francis Zacharie** (Danish Maritime Safety Administration) informed the working group about the EfficienSea Project which had 16 partners from the Baltic Sea region. The three-year project (2009-2011) was financed by 18 million € through European funds (INTERREG IVB) aimed especially at improving maritime safety by using e-navigation. In his opinion, ensuring maritime safety and security was the basis of human activities at sea. DMSA focused on the maritime traffic through the Danish straits with approximately 70,000 movements per year. Further services provided by DMSA were the operation and maintenance of lighthouses/navigational lights and conventional support including traffic control (water-level reports, nautical charts, weather forecasts, other information services, etc.) and coastal rescue with the help of 21 emergency units. He pointed out that in the framework of prevention measures the improvement of maritime training and the quality of shipmasters were by far the most important factors in preventing maritime accidents. On the basis of the IMO definition of e-navigation, he explained how the shipmasters received information that was only relevant for the trip, which would be processed by means of an integrated system. Presently a prototype of a model was being developed in order to facilitate the steering of the ship from departure in a port until the landing in another port. The system included for example the ship's papers, course calculations, positioning and further relevant data. Presently the Øresund served as a testing area and was monitored jointly with Sweden through the Vessel Traffic Service Center in Malmö. Cooperation partners include ferry lines, pilots, tug boats and tankers. Mr Zacharie continued that the designation of further test areas such as the Gulf of Finland and the Gulf of Gdansk were being considered, in order to evaluate the transferability of this system to other marine areas. In that case, the project would need to be prolonged by three more years, which he did not exclude at the present time. Concluding, he invited further partners to join the EfficienSea Project and proposed that the working group should place greater emphasis on the improvement of maritime safety in their political recommendations.

In the second segment of the session the meeting decided on first political recommendations for the 19th BSPC resolution in Mariehamn on 29th to 31st August 2010 and agreed with the structure and thematic content of the Chairman's draft interim report, which was based on the expert hearings, consultations and political debates. Regarding the draft recommendations, the meeting decided that the discussed and the proclaimed modifications and supplements had to be submitted by 23rd June 2010 to the secretariat in Schwerin.

Furthermore the meeting agreed on the working plan for the next year by the 20th BSPC. The next session should be held in one of the Baltic States as a two days' meeting during the 47th calendar week of 2010 (22nd-26th November). The 5th session is planned for the 12th calendar week of 2011 (21st-25th March) in Sweden as a two days' meeting as well. The final session will be held in Schwerin, Germany, on 20th and 21st June 2011.

The meeting agreed on the development of a directory of all working group members, which will include a short CV (personal details, professional and political development) and a photo as well. The relevant documents should be sent to the secretariat by 15th July 2010.



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