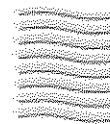


**Baltic Sea Parliamentary Conference
Working Group on Integrated Maritime Policy**



23rd May 2011

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

Abstract of the 5th Session of the Working Group on “Integrated Maritime Policy, especially infrastructure and logistics” of the Baltic Sea Parliamentary Conference in Stockholm on 24th March 2011

The 5th meeting of the Working Group “Integrated Maritime Policy, especially infrastructure and logistics” was held on 24th March 2011 at the Riksdagen, Swedish Parliament, Stockholm under the direction of Chairman Mr Jochen Schulte (State Parliament Mecklenburg-Western Pomerania, Germany). 28 representatives from 13 parliaments and parliamentary assemblies as well as 7 experts and the Chairman of the CBSS Expert Group on Maritime Policy, Mr Lars Almklov, attended the meeting.

In the **first segment** of the session representatives from the German Shipowners’ Association, the Association of Northern German Chambers of Industry and Commerce, the International Oil Pollution Compensation Funds, the HELCOM RESPONSE Group, the Shortsea Promotion Centre Finland, the European Commission and the VASAB-HELCOM Maritime Spatial Planning Working Group informed the participants about the economic impact of the classification of the Baltic Sea as a Sulphur Emission Control Area, oil spill liability and International Oil Pollution Compensation Funds, Response capacities to combat oil-spills and hazardous substances in the Baltic Sea Region, measures to improve Co-Modality and Maritime Spatial Planning. The following provides a brief summary of their conclusions and recommendations to the Working Group.

Mr **Gernot Tesch** (Scandlines Deutschland GmbH, German Shipowners’ Association) presented the findings of a recent German study about a possible modal backshift as a consequence of MARPOL Annex VI regulations regarding sulphur content in ship fuels.

The study was entitled "Reducing the sulphur content of shipping fuels further to 0.1 % in the North Sea and Baltic Sea in 2015: Consequences for shipping in this shipping area." In terms of the containment of CO₂ emissions, shipping had many advantages over other methods of transport, but SO_x and NO_x emissions were still a cause for concern.

The decision of the IMO member states regarding the MARPOL Annex VI Regulations to reduce sulphur content in shipping fuels to 0.1% had been made without any impact assessment, and resulted in a division in shipping burdens perpetuating the likelihood of a modal-shift. The study assessed the real costs associated with the implementation of these regulations in terms of competition based on isolated shipping corridors. Most likely volume losses between 10%-20% already would lead to a closure of the trade route and a 100% modal shift.

The proposed solutions to attain the sulphur regulations through scrubber technology, alternative fuels (LNG), the adjustment of sulphur caps in tandem and a postponement strategy were additionally analyzed. The problems associated with technological, infrastructural development, and retrofitting made scrubber technology an unattractive solution. Mr. Tesch additionally noted that the solution that seemed most likely was the increased utilization of LNG products in tandem with an interim solution for the existing fleet.

The second presentation was given by Mr **Martin Kruse** (Association of Northern German Chambers of Industry and Commerce). According to the Association of Northern German Chambers of Industry and Commerce, already a reduction to 0.5% would be a benefit for nature and would impose significantly lower costs on the economies in the Baltic Sea Region. He gave a short overview of existing impact assessment studies on the subject. Comparing the interests of the different commissioners, the (shipowners') associations were mainly interested in the question of modal shift, and the European Union itself was looking on the issue of Shortsea Shipping and on modal questions as well. The Scandinavian and the Baltic states had strong fear of losing international competitiveness by the new regulations. The volume of shipping would decline considerably in the Baltic Sea and the new regime would give severe disadvantages to the Baltic Sea Region's economy. He also mentioned statements by the Baltic Sea Port Organisation and a letter to the European Commission signed by 50 organisations, including the German Shipowners' Association and the Association of Northern German Chambers of Industry and Commerce. Concluding, Mr Kruse asked the Working Group members to promote the 0.5 limit on European level and, if possible, within IMO, for the best of the Baltic Sea Region.

Mr **Måns Jacobsson** (Former Director of the International Oil Pollution Compensation Funds – IOPC Funds) started his presentation by pointing out that oil pollution was another topic of great importance for all people around the Baltic. The Civil Liability Convention was ratified by 123 states and the Fund Convention by 105 states. The

Conventions largely applied to pollution damage caused by oil spills from laden tankers and spills of bunker oil from empty tankers in certain circumstances.

Under the Civil Liability Convention, the ship owner was liable regardless of any evidenced negligence on the part of the crew or shipmaster (“strict” or “objective liability”). If the ship owner was exonerated under one of the few defences admissible under the Civil Liability Convention, if he was originally found to be liable and did not have the ability to pay and did not possess the necessary insurance coverage, or if the damage exceeded the permissible limitation amounts for the ship owner, the Fund Convention would apply. The main costs associated with oil spills were property damage, costs of clean up, losses in various industries and environmental damage. When oil was spilled at sea, measures were taken to pre-emptively clean up the spill at sea, in order to avoid the costs associated with cleaning up the oil spill on land. As a general conclusion, the international community had worked reasonably well in most cases which was also shown by the number of Fund member states. All the states close to the Baltic Sea were members of the 1992 Fund and all coastal states of the Baltic except for the Russian Federation were members of the Supplementary Fund. Governments and parliaments had to see a benefit and consider worthwhile burdening their oil industry with a contribution to the Funds.

The fourth presentation by Mr **Bernt Stedt** (Chairman of HELCOM RESPONSE Group and head of the response unit at the Swedish Coast Guard Headquarters) was regarding the topic of current levels of preparedness in the Baltic Sea region for a major oil spill. At any given moment, there were at least 2,000 ships in the Baltic Sea Area. The high traffic had led to roughly 100 accidents annually in the Baltic Sea, although only a fraction has resulted in oil spills (a total of 5 in 2009).

The HELCOM Response Group had worked on requirements for emergencies and response capacities. The Group worked with airborne surveillance both nationally and bilaterally, as well as led to the development of the current response manual, which instructed on topics ranging from the proper reporting and alert system that applied to all states to financial aspects when giving or requesting assistance.

The present status of the Baltic Sea Area response capacity was in comparison to many regions quite well prepared. The “HELCOM fleet,” the European Maritime Safety Agency’s (EMSA) contribution of three vessels, the ‘HELCOM Seatrack Web,’ as well as aerial flights helped monitor and contain oil spills utilizing national, bilateral, and international support mechanisms.

Ms **Riitta Pöntynen** (Shortsea Promotion Centre Finland) focused in her presentation on inter-modality and maritime transport. Her primary thesis was that while each of the modes had its strengths, the transport modes should complement each other, not compete with each other. With regard to the European Commission’s Transport White

Paper in 2006 co-modality, sustainable transport and environmental impacts of transport were of increasing importance; however, it was also important to develop the links between transport modes (ports, logistic centres, inland and dry ports; as well as information flow in the transport chain).

Additionally, the European Commission Communication and Action Plan on freight logistics (2007), which also followed an inter-modal approach and the European Commission's Communication on a European Ports Policy (COM(2007) 616) were also mentioned. The European Commission's Initiative "Towards a European maritime transport space without barriers", included a new concept of a "Blue Belt" launched in 2010. This was intended to reduce administrative changes related to EU maritime transport.

In sum, the simplification and harmonisation of administrative and custom procedures was important for all transport modes, and should be achieved through the promotion of co-modality through a number of consolidative and logistical measures.

The sixth presentation from Mr **Pierre Schellekens** (European Commission, Head of Representation in Sweden) focused on the EC Communication on Maritime Spatial Planning (MSP). There were economic, environmental and social benefits to be derived from increased and integrated cross-border planning of the areas at sea. This supposed a common understanding of what was MSP and this had been some work in developing awareness of the needs and of the concept of maritime spatial planning which was still a new concept for many (very few of the EU member states actually had MSP). The European Commission had launched in 2008 a roadmap for MSP which had established ten principles on which planning should be based. The European Commission was now in the process of launching an impact assessment on how MSP should be taken forward at EU level. MSP should be carried out by the member states and in the member states. Major economic benefits resulted from reduced transaction costs for maritime actors and a more secure, stable environment for investments. Furthermore, it was an environmental tool and a tool for maritime transport.

The seventh presentation by Mr **Sten Jerdenius** (Vice-Chairman VASAB-HELCOM Maritime Spatial Planning Working Group) focused on cooperation in terms of MSP in the Baltic Sea Region.

There were two organisations in the BSR working with MSP, one of them being VASAB (Vision and Strategies around the BSR) and the other being HELCOM. VASAB had started working with MSP by making a compendium which gave a good description on the state of play of all Baltic Sea states (to be downloaded on the VASAB homepage). At the starting point of MSP one had to take note of the very severe environmental situation in the Baltic Sea and of the increased competition for sea areas. Very huge differences existed between the Baltic Sea States as far as MSP was concerned, and therefore the

starting point for introducing MSP was very different in the different countries. Both HELCOM and VASAB had decided to set up a joint working group on MSP for the BSR in order to support this process. All the Baltic Sea states and the European Commission were taking part. This was a very good arrangement because the European Commission received direct information on the ongoing processes in the member states and the member states had the possibility to influence the commission in its work on MSP. The group had drafted MSP principles, adopted by both organisations, and was the only formal group in Europe on MSP.

The presentations are available on the following BSPC website:

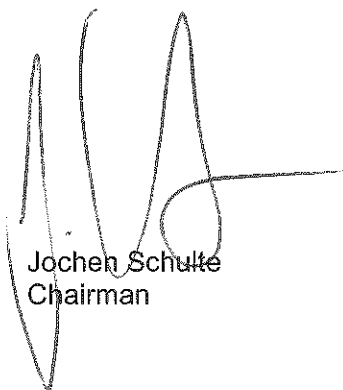
<http://www.bspc.net/page/show/217> (Folder: Related Information; sub: Background Documents).

2nd Session Segment

In the **second segment** of the session the chairman informed about proceedings for a planned joint meeting of the three maritime working groups of CBSS, BSSSC and BSPC in connection with the European Maritime Day on 20th May 2011 in Gdansk. The intention of this common event was to make a broader European public aware of the maritime cooperation in the model region Baltic Sea, to illustrate the integrated political approaches and to promote a more regular and structured dialogue between different levels of political decision-making in the region. Therefore, he suggested that the three bodies should meet again in tandem with the group's regular final working group session in Schwerin on 20th/21st June in Schwerin in order to speak about further cooperation. The participants agreed.

Mr **Lars Almklov** (Chairman of the CBSS Expert Group on Maritime Policy) gave a short background on the Expert Group on Maritime Policy which had a three-year mandate from the Council. The Expert Group worked on a basis of an integrated approach to maritime policy including all relevant sectoral policy fields and taking into account their mutual impacts. The Expert Group was currently composed of civil servants from 11 member states including the European Commission which was represented by DG MARE. In addition, the mandate of the Expert Group was to cooperate closely and exchange information with the relevant strategic partners of the CBSS and other stakeholders, particularly mentioned the BSPC and its working group on maritime policy. The Baltic represented a particular potential in this respect due to the high density of maritime activities and also the upcoming regulations on sulphur emissions and possibly also NOx emissions from shipping. Turning to the joint event which had been proposed to take place during the European Maritime Day in Gdansk, there had already been contacts on a working level between the groups and there was an agreement to work towards a joint event hosted by the three groups during the European Maritime Day in Gdansk with a focus on the potential for an improved cooperation between the groups.

The sixth and final session will be held in Schwerin, Germany, from 19th to 21st June 2011, focusing on the infrastructure of ports, including aspects of cruise tourism, shore side power supply, port reception facilities, Clean Baltic Shipping and probably satellite-supported navigation systems for ports. The discussion should centre on the political recommendations and the report of the working group for the 20th BSPC in Helsinki in 2011.



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Chairman

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