



Mariehamn, 30<sup>th</sup> August 2010

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## **Interim Report of the Working Group on Integrated Maritime Policy, especially infrastructure and logistics, of the Baltic Sea Parliamentary Conference (BSPC)**

### **Introduction:**

Approximately 100 million people live in the Baltic Sea region. The Baltic region produces a GDP of 1,200 billion Euros which totals about 11% of the cumulative GDP of the 27 EU member states. A significant portion of the economic services of the region are associated with activities on and in the sea as well as on the coastal areas. In the past decades competing utilisation claims as well as one-sided sectoral approaches have led to negative consequences in the environment of the Baltic Sea region. Many policies, e.g. in the fields of maritime economics, transport, energy generation, fisheries and tourism, have been developed separately from each other for too long so that the Baltic Sea has, in turn, suffered from the intensive utilisation by and for these sectors.

Given this background, the European Commission issued an announcement for a Integrated Maritime Policy including an action plan, otherwise a so-called bluebook, which aims for strengthened cooperation and an effective multi-sectoral coordination scheme for all maritime measures on all decision-making levels. By the end of 2009 the KOM submitted a progress report that evaluated the previous measures of the new IMP on a content-basis and proposed further suggestions for future maritime measures. As a result, the IMP forms the superstructure for other diverse maritime strategies on the European, national, regional as well as sub-regional level, whereas the European Marine Strategy Directive functions as a so-called pillar for the environment. From the perspective of the European Commission, the EU Baltic Sea Strategy represents an implementation concept for the IMP in the region, while HELCOM-Baltic Sea Action Plan serves as the region's environmental pillar.

The European Council emphasised in its conclusions from June, 2010 that maritime sectors are an elementary factor for intelligent, sustainable and integrated growth in regards to the efficient use of resources, economic competitive ability, and climate protection. In this context, maritime transport, infrastructure, ports and logistics centres, as well as their respective inter-modal connections with the greater European transport network, in addition to climate protection in these fields, are also elementary factors for intelligent, sustainable and integrated growth. In reference to the transferability of these measures, the Baltic Sea region is a model for other sea areas.

## **Mandate:**

With their consent to the final declaration on the 1<sup>st</sup> September, 2009 in Nyborg, Denmark, the participants of the 18<sup>th</sup> Baltic Sea Parliamentary Conference (BSPC) resolved under Subparagraph 38 to establish a Working Group on 'Integrated Maritime Policy,' which shall focus on infrastructure and logistics, reports concerning the 20<sup>th</sup> Baltic Sea Parliamentary Conference, as well as political recommendations.

## **Procedure:**

Under the auspices of the Standing Committee of the BSPC, the Working Group was introduced on the 13<sup>th</sup> November, 2009 with the representative Jochen Schulte from the Land Parliament of Mecklenburg-Western Pomerania, Germany, as chairman.

The Rules of Procedure of the BSPC form the basis for decision-making in the Working Group. A system of unanimity rule is utilized. The working language is English, with simultaneous translation into Russian as needed. The funding of necessary tasks for the implementation of Working Group meetings is withdrawn from the collective budget of the secretariat of the BSPC in Copenhagen. The participants of the Working Group meetings are held responsible for their travel and associated miscellaneous costs. Eligible participants include members and/or their representatives of listed parliaments in accordance with Annex 1 of the Rules of Procedure, parliamentary associations, as well as observers and advisors; experts may be invited.

On the 21<sup>st</sup> January, 2010, the Working Group first assembled during the inaugural meeting in Rostock-Warnemünde, Germany, and agreed upon a working plan, which will last until the 19<sup>th</sup> BSPC. Main topics of the working plan should include the objectives and main topics of the Working Group, the scope of its mandate, the employed working group methods, as well as time frames, scheduling, and additional matters. The meeting agreed to handle the subject areas of transport, environment and nature protection, maritime spatial planning, infrastructure, and hinterland-connections in order to stabilize the BSR and its competitiveness. Further on the meeting decided to consult national and international experts, as well as parliamentarians in the framework of hearings on different political levels and additionally to co-operate with relevant expert-groups from the CBSS, HELCOM and other institutions/organisations for the elaboration of political recommendations.

The 2<sup>nd</sup> Session was held in Brussels in the premises of the European Parliament and the Committee of the Regions on 15<sup>th</sup> and 16<sup>th</sup> April 2010. Ms Lisbeth Grönfeldt Bergman (MP, Sweden) from the Nordic Council was appointed Vice-Chair. The meeting decided that the Chairman could give an interim report of the working group at the 19<sup>th</sup> BSPC in Mariehamn.

It was also decided that the next session would be held in Copenhagen and that the Working Group should have to prepare first political recommendations for the 19<sup>th</sup> BSPC from 29<sup>th</sup> to 31<sup>st</sup> August 2010 in Mariehamn, Åland, based on the expert hearings, consultations, and political debates. Regarding the report and draft recommendations for the resolution, it was decided that the secretariat should have to prepare first draft recommendations for the Expanded Standing Committee on 3<sup>rd</sup> June in Vilnius, which should be circulated by email and considered at the Copenhagen session in detail. It was further decided that questions of competitiveness among regions and ports in the Baltic should be discussed in the second half of 2010.

The 3<sup>rd</sup> Session of the Working Group was held in Copenhagen under the chairmanship of Ms Lisbeth Grönfeldt Bergmann (Nordic Council, Sweden) in the premises of the Danish Folketing on 15<sup>th</sup> June 2010. The meeting focused on expert presentations and discussions on draft political recommendations and other internal matters, like the interim report as well the working plan for the next year by the 20<sup>th</sup> BSPC.

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.

## **Course and Results of the Working Group Sessions:**

### ***1<sup>st</sup> Session in Rostock-Warnemünde, 21<sup>st</sup>/22<sup>nd</sup> January 2010***

The inaugural meeting of the Working Group was held in the premises of the Federal maritime and Hydrographic Agency in Rostock, Germany on 21<sup>st</sup> and 22<sup>nd</sup> January 2010. 32 participants, experts, representatives of parliaments and parliamentary assemblies, as well as administrators attended the meeting.

The main topics of the agenda had been the objectives of the working group, the scope of its mandate, the working group methods employed as well as time frames, scheduling, and additional matters. The initial thematic introduction was presented by experts, who informed participants about the important aspects of a range of issues, which the working group will need to address in the future.

Ms **Monika Breuch-Moritz** (Federal Maritime and Hydrographic Agency – BSH) welcomed the participants and introduced them to the responsibilities of the federal agency, which include: navigational and maritime security, nautical and hydrographic information services, oceanographic information and services, environmental protection and maritime transport, general services for ship transport, maritime spatial planning (MSP), as well as authorisations of offshore facilities. She explained that the main task of the agency's research vessels was to monitor chemical, physical and biological water quality for oceanographic surveys. On the topic of maritime environmental protection, Ms Breuch-Moritz explained the agency's implementation of national and international agreements and cooperation with HELCOM. From the perspective of MSP, she stated that the introduction of future wind farms could present new challenges. Priority areas for wind farms and restricted zones must be incorporated into future development.

Mr **Helmut von Nicolai** (Ministry of Traffic, Building and Regional Development of Mecklenburg-Western Pomerania) emphasized the necessity of preparing a joint maritime spatial plan for the Baltic Sea. He explained that the Baltic Sea Region was ideal for research, given the many countries which are connected by the inland sea. However, as a consequence of the various economic and environmental concerns involved in the Baltic, a maritime spatial planning programme was necessary to avoid problems and conflicts as well as to solve them quickly if any arise. Mr von Nicolai subsequently referred to the two zones of the Baltic Sea, including national territorial waters and exclusive economic zones, which would play an important role in MSP. He concluded with the recommendation that administrative procedures associated with MSP should be legally binding.

Mr **Christer Pursiainen** (Secretariat of the Council of the Baltic Sea States – CBSS, Expert Group on Maritime Policy – EGMP) illustrated the activities of the CBSS Expert Group on Maritime Policy for permitting the use of synergies and strengthening the co-operation between the BSPC and the CBSS in accordance with the corresponding intentions of the BSPC. He discussed the goal of the Expert Group, which seeks to improve the international competitiveness of the Baltic Sea Region. Mr Pursiainen commented that the Baltic Sea Region already possesses a comparative advantage, given its high degree of integration. The group also attempted to increase public awareness of maritime projects, products, and interests. Mr Pursiainen concluded that events should also be organized to attract the attention of young people to maritime job opportunities.

Mr **Dr. Ulrich Bauermeister** (Harbour-Development-Company Rostock – HERO) briefed the participants on the port at Rostock and discussed issues which apply to all Baltic Sea ports. He began with the classification of Baltic Sea ports into three categories: landlord ports, tool ports,

and service ports. He explained that key components of a successful port include not only geographic location, but also hinterland-connections. Dr. Bauermeister further explained that economic changes, such as the shift from large volumes of transport goods to smaller volumes with higher value, were playing a crucial role in the development of trade. He additionally addressed the classification of the Baltic as a sulphur emission control area (SECA) and predicted that this change would cause a shift from sea to land transport. Regulating shipping emissions and maintaining the attractiveness of sea shipping must be considered together.

Ms **Sylvia Westland** (Network for Maritime Applications at the Rostock Research Port) addressed the complex uses of the Rostock port and the impact of the maritime economy. She stated that economic concerns depend on an efficient and safe infrastructure, as well as the modernization of technical applications for the improvement of maritime safety and security. The main goal of the Network is to create a highly developed Global Navigation Satellite System (GNSS), which would automate intermodal freight transport, as well as reduce time and expenses. Ms Westland concluded that binational and multinational support for the initial phase of research and development projects were necessary.

Mr **Knud Benedict** (Wismar University, Department of Maritime Studies) provided information about maritime training opportunities, as well as the connections between maritime training and other relevant areas. Students trained by the program will hopefully promote the transfer of knowledge to the industrial sector, including traffic systems and the operation of ships. He discussed that research was a key objective for the Maritime Studies Department and Maritime Simulation Centre Warnemünde (MSCW), which is a branch office of the University of Wismar. One of the primary goals of the research is to develop and apply technologies which ensure increased safety and effectiveness of shipping. Furthermore, Mr Benedict explained a new task, which focuses on inland waterway navigation and which would be particularly beneficial to Polish partners.

The meeting agreed upon to handle with the subject areas of transport, environment and nature protection, maritime spatial planning, infrastructure and hinterland-connections in order to stabilize the BSR and its competitiveness. Further on the meeting decided to consult national and international experts and parliamentarians as well in the framework of hearings on different political levels and to co-operate with relevant expert-groups from the CBSS, HELCOM and other institutions/organisations for the elaboration of political recommendations. On Friday, 22<sup>nd</sup> January 2010 the participants visited the Maritime Simulation Center Warnemünde (MSCW) in order to inform oneself to the basic and follow-on training of seafaring personnel with the aid of the Vessel traffic Service Simulator, the Ship Handling Simulator and the Ship Engine Simulator.

### ***2<sup>nd</sup> Session in Brussels, 15<sup>th</sup>/16<sup>th</sup> April 2010***

The second meeting of the Working Group was held in Brussels in the premises of the European Parliament and the Committee of the Regions on the 15<sup>th</sup> and 16<sup>th</sup> April 2010. 27 representatives of 13 parliaments and parliamentary assemblies attended the meeting. The working group was extended by MPs from the Russian Federation, the Finnish Parliament and from the State Parliament Schleswig-Holstein. Ms Lisbeth Grönfeldt Bergman (MP, Sweden) from the Nordic Council was appointed Vice-Chair. Members of the European Parliament, representatives of the European Commission and the Committee of the Regions as well as representatives from the European Ports Organisation and the European Ship-Owners Association informed the participants about the issues surrounding the EU Integrated Maritime Policy, Trans-European Networks, maritime transport, environmental aspects, Short Sea Shipping, and the co-operation between the EU and Russia on these fields.

Mr **Nikolay Lvov** (Moscow) explained the work and co-operation of the Russian Parliament's Commission on Maritime Policy, which was set up in 2006 and is currently a standing body of the upper house of the parliament. The Commission reviews legislation, the utilisation of marine resources, maritime traffic and safety, as well as environmental issues. This work includes the functioning of sea and river transport, movement and repair of ships, and natural resource extraction. The Commission invites numerous experts from other ministries and departments within the Russian Federation to help with research and decision-making. Mr Lvov expressed his belief that his Commission could positively contribute to the work of the BSPC working group on maritime policy and repeated his interest in the work done by the BSPC.

Mr **Werner Kuhn** (MEP, Mecklenburg-Western Pomerania) gave an introduction of the focal points and the development of the European Transport Policy from the European Parliament's perspective. He described the fundamental importance of the Trans-European-Networks (TEN-T) and Motorways of the Sea (MoS), and the Harbour-Infrastructure to the larger Baltic Sea region. Mr Kuhn presented four main challenges to European transport policy which include: economic law, safety of traffic, protection of the environment, and transport routes. The concept of 'Smart Mobility' was introduced as a method to reduce energy inefficiency and improve transport axes. The Galileo satellite, funded by the EU and projected for completion by 2013, should provide the key to future transportation in the larger Baltic Sea Region and at the same time decouple the European GPS system from the U.S. In an additional reference to the EU Baltic Sea Strategy, Mr Kuhn repeated the environmental, economic, aesthetic and security goals of the program. Correspondingly Mr Kuhn emphasized spatial planning, environmental protection and economic development, which includes tourism.

Mr **Knut Fleckenstein** (MEP, Hamburg; EP Transport Committee; EU-Russia parliamentary cooperation committee) illustrated the relationship between the EU and Russia. He stated that EU and Russian relations were based upon three factors: negotiations for a new cooperation agreement, the effects of the economic and financial crisis, and modernisation. He stressed the need for legally binding and comprehensive agreements. Two levels of cooperation with Russia exist; one on a bilateral level, which focuses on trade, justice, security and research and then another on the level of Northern Dimension policy. While on the first level transport falls under the category of trade, transport also exists in the Northern Dimension, where it can become more controversial. By referring to current other Northern Dimension partnerships, Mr Fleckenstein expressed his expectation of 'fruitful cooperation'.

Mr **Patrick Norroy** (EC, DG Move) gave an insight into the topic 'Measures to promote Short Sea Shipping' on the basis of the Commission's Transport Strategy up to 2018. He highlighted three challenges: the reduction of pollutant emissions, the effects of the economic crisis and fuel prices, as well as the improvement of transport systems and the elimination of technical and infrastructural bottlenecks. Mr Norroy proposed a variety of methods to promote shipping in the short term, from the simplification of customs formalities to a second administrative language in addition to national languages. He additionally discussed the EU e-Maritime concept, which would permit the exchange of not only safety information between national authorities, but also customs data. In regards to infrastructure, Mr Norroy highlighted the development of ports and hinterland connections of ports as the main goals. On an environmental level, he stated that sulphur emissions were the biggest challenge to reducing maritime pollution.

Mr **Pawel Stelmaszczyk** (EC, DG Move) briefed the participants on the revision of the TEN-T, Motorways of the Sea (MoS), and the Marco-Polo-Project. Among MoS projects, funding can be obtained from the TEN-T, Marco Polo or state aid. In regards to the Marco-Polo-Project, 2009 brought unprecedented success. For the first time Marco Polo received more projects than funds available. Additionally, Mr Stelmaszczyk reflected on the possibility to expand Marco Polo to include passenger traffic. The current main action types of the Marco-Polo-Project include

modal shift, traffic avoidance, common learning, and catalyst actions. Beneficiaries can additionally receive funding for beginning new transport services. For 2010 the Marco-Polo-Project had € 63-67 million in funding, with 10% reserved for inland waterways and 20% for MoS projects.

Mr **Patrick Verhoeven** (European Sea Ports Organisation – ESPO) illustrated the theme ‘Port infrastructure and the effects of environmental legislation’ and societal integration. The 1,200 ports in Europe are very diverse in size, ownership, organisation, sustainability, and geographic location. He stated that the awareness of port managers on environmental issues is growing all over the world as a result of legislation and the need to save costs. Furthermore, Mr Verhoeven stated that Maritime Spatial Planning would be an important instrument in order to clear conflicts of interest. Further on he commented that the EU legislation did not work effectively. Correspondingly he demanded a better dialogue between industry, NGOs, EU member states and the EU-COM. He also referred to the ‘World Ports Climate Initiative’ for strengthening the efforts of combating hazardous emissions of ships in ports. Regarding the revision of the TEN-T, he demanded the identification of priorities.

Mr **Alfons Gunier** (European Community Ship-Owners Association – ECSA) focused his presentation on the sulphur content in bunker fuels, the promotion of Short Sea Shipping, and the European maritime transport space without barriers. He stated that European ship-owners controlled 41% of the global merchant fleet, which meant that Europe was a leader in shipping. Regarding the emissions he underlined that shipping was an environmentally friendly way of transport. With a share of 90% of global trade, shipping is responsible for only 2-4% of global CO<sub>2</sub>-emissions. With reference to the sulphur emissions in bunker fuels, ECSA welcomed the decisions of the IMO to reduce the content to 0.1% up to 2015 in SECA, but he saw the risk of a modal shift (up to 50%) from sea to land. A change from 1.5% to 0.5% would mean an increase in bunker fuel costs of 20-30%, a reduction to 0.1% – up to 60% increase in costs. According to studies, with 0.1% sulphur content in bunker fuels and a modal shift of only 20%, the reduction of external costs would completely disappear. Correspondingly, a 0.5% sulphur-fuel would be a preferred option. Additionally Mr Gunier urged for more efficient taxation and customs clearance.

Ms **Izolda Bulvianaite** (EC, DG Mare) focused on the implementation, situation and prospects of the IMP. She illustrated that the DG Mare had been reorganised with special regard to the IMP and the characteristics of the sea basins in Europe. The main goal of the IMP was that different demands and interests to the sea had to be weighed carefully in a cross-sector approach for guaranteeing sustainable development. She defined the integration of Maritime Surveillance Systems, Maritime Spatial Planning (MSP), and Maritime Data as the important foundations for the IMP. Furthermore, the exchange of data between sectors had to be strengthened for the purposes of efficiency. She informed that the European Council and the Regions had called for the implementation of the IMP on a regional basis with consideration to geographical characteristics, socio-economic situation, and environmental challenges. Inter alia key actions of the IMP include: the development of good maritime structures, the implementation of the MSP, the realisation of the EU Marine Strategy Framework Directive and the HELCOM Baltic Sea Action Plan.

Mr **Giovanni Mendola** (EC, DG Move) explained the Communication on the EU-Strategy for maritime transport up to 2019 and the revision of the European ports policy. He outlined some strategic goals to stabilise the role of Europe as a key player on the global market: European shipping in globalised markets, human resources, seamanship and maritime know-how, co-operation on the international level, use of the full range of Short Sea Shipping and Transport Services, investments in research and innovation, maritime safety, as well as technologies for green shipping. With regard to the port policies he focused on state aid, environmental guidelines, and social dialogue as well. Mr Mendola stated that financial support and

investments were essential to raise the importance of ports for the economy. Also ports had to be adapted to environmental legislation and regulation. A set of guidelines would probably be adopted in 2010. Mr Mendola concluded that consultation between port stakeholders and public authorities should go hand-in-hand with social partners.

Mr **Aleksey Zinoviev** (MP Kaliningrad) presented the Kaliningrad region port infrastructure and the main transport connections. He expressed his concern that the Kaliningrad region was not always present in the projects presented by the EU. He was interested in looking for additional contacts, business, and participation in EU projects. Mr Zinoviev stated that the important strategic position of the Kaliningrad ports in the Baltic Sea and their connection with the main European transport routes. The ports had been under reconstruction recently to comply with state-of-the-art technology and infrastructure. A new deepwater port was also under construction.

### ***3<sup>rd</sup> Session in Copenhagen, 15<sup>th</sup> June 2010***

The 3<sup>rd</sup> 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 15<sup>th</sup> 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 20<sup>th</sup> 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 CO<sub>2</sub> emissions by 30 % and the SO<sub>x</sub>- and NO<sub>x</sub> 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 19<sup>th</sup> 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 19<sup>th</sup> BSPC resolution in Mariehamn on 29<sup>th</sup> to 31<sup>st</sup> 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 23<sup>rd</sup> June 2010 to the secretariat in Schwerin.

Furthermore the meeting agreed on the working plan for the next year by the 20<sup>th</sup> BSPC. The next session should be held in one of the Baltic States as a two days' meeting during the 47<sup>th</sup> calendar week of 2010 (22<sup>nd</sup>-26<sup>th</sup> November). The 5<sup>th</sup> session is planned for the 12<sup>th</sup> calendar week of 2011 (21<sup>st</sup>-25<sup>th</sup> March) in Sweden as a two days' meeting as well. The final session will be held in Schwerin, Germany, on 20<sup>th</sup> and 21<sup>st</sup> 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 15<sup>th</sup> July 2010.

### **Political Recommendations:**

Regarding the Integrated Maritime Policy, especially infrastructure and logistics, the Working Group presents the following proposals, which call the governments in the Baltic Sea Region, the CBSS, and the EU, to:

- 1) promote the measures listed below in the competent bodies of the International Maritime Organization (IMO) in view of the reduction of harmful emissions from shipping in the Baltic Sea Region:
  - the designation of additional European Sulphur Emission Control Areas (SECAs),
  - a more flexible start of the gradual worldwide reduction of the sulphur content of ship fuels from the current level of 4.5 per cent to 0.5 per cent, which was originally slated to start in 2020,
- 2) investigate how and to what extent the reduction of the sulphur content of ship fuels to 0.1 per cent in the Baltic Sea Region, which is scheduled to be effective from 2015, may benefit the environment of the Baltic Sea region while simultaneously producing unacceptable competitive disadvantages to the economy, and furthermore to draft proposals on how to avoid or compensate for such disadvantages,
- 3) render more active support than heretofore to short sea shipping as an eco-friendly alternative to inland transport, in particular by conducting additional pilot projects on shore-side electricity at berth and infrastructure development for the use of alternative fuels,
- 4) support the implementation of improved security and fire prevention measures regarding vessels, terminals, ports, sea and shore-line constructions as well as the use of environmentally friendly substances to alleviate damages caused by accidents
- 5) look into the extent to which Short Sea Shipping will be able to dispense with the use of pilots if proof is supplied that the masters and officers have been adequately trained for the routes and ports operated,
- 6) initiate measures which 1) pave the way for and promote the use of a single language in international transport operations at sea and on land, and 2) standardize and facilitate the implementation of joint customs and taxation procedures,

- 7) promote a transport policy that is in principle governed by the idea that transport operations should be carried out in an eco-friendly way with a minimum use of resources by concentrating freight flows and interconnecting infrastructure,
- 8) make sure that 1) the priority TEN-T network is made up of multimodal axes that are linked to the Motorways of the Sea (MoS) by important interconnection points (sea ports and inland ports) in order to facilitate high-frequency multimodal transport services, and 2) efficient links are created both between corridors and high-density traffic spots as well as the Russian Transport Network,
- 9) attach particular importance to the strategic development of the seaports with associated logistics centres and rail terminals in order to create regional, national and European networks. In this context, gaps in the priority TEN projects should be filled, and the projects should be linked and consolidated into a core network,
- 10) support initiatives for improving safety and environmental risk reduction in the Baltic Sea and addressing the human factor, as well as to reach a common agreement aiming at efficient and compatible surveillance, monitoring and routing systems, i.e. the creation of a ship reporting system for the whole Baltic Sea, by harmonizing and elaborating the existing ship reporting systems (SRS) and vessel traffic services (VTS) in the Baltic Sea,
- 11) strengthen the joint regional as well as national preparedness and capacity to tackle major oil spills, for instance by sub-regional preparations, co-ordination and exercises, as pursued in the HELCOM BRISK-Project, and by procuring sufficient supplies of oil spill recovery equipment,

## **Conclusion:**

In accordance with its mandate, the working group for Integrated Maritime Policy of the Baltic Sea Parliamentary Conference focused its work on the fields of port infrastructure and logistics during the meetings of the first year. It became clear that maritime safety and security as well as climate protection were substantial political topics related to the discussions on infrastructure and logistics and were also closely related to the economic competitive ability of the Baltic Sea region. The detrimental effects of emissions from maritime activities as well as the designation of the Baltic Sea as an Emission Control Area (ECA) were of particular prominence during the meeting in Copenhagen.

The working group's further topics for consideration in the second year have been left fairly open, and include the possibilities of utilising new maritime operating technologies, in particular for the reduction of greenhouse gas consumption and the reduction of emissions, the improvement of the competitive abilities of ports among each other, as well as the use of Maritime Spatial Planning as a binding planning instrument for construction and the networking of infrastructural facilities. Clean Baltic Shipping should also be given greater attention, especially in reference to environmental questions, as it could represent important competitive and location-based advantages for the Baltic Sea region.

In regards to the latter, the most recent activities of the COM have cited that new TEN-T projects including Motorways of the Sea (MoS) and integrated environmentally-friendly transport systems will be supported with more than seven billion Euros. Through these measures the EU is aiming for greater environmental capacities in all means of transport, an improvement of logistics, as well as the implementation of more intelligent transport systems.

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