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OF THE COUNCIL establishing a framework on market access to port
services and financial transparency of ports

Delegations will find attached Commission document SWD(2013) 181 final Volume 3.

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Volume 3

COMMISSION STAFF WORKING DOCUMENT

IMPACT ASSESSMENT

Accompanying the document

**Proposal for a Regulation of the European Parliament and of the Council
establishing a framework on the market access to port services and the financial
transparency of ports**

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ANNEX IX:

Administrative cost calculation (PWC, 2013)

The first section of this Annex explains the general assumptions in line with the IA Guidelines for determining the potential administrative impact. In section two, one can find the general appreciation related to administrative costs for the different policy measures. Section three explains the baseline and in section four the overall assessment is made for the different policy packages.

The final and detailed results of the administrative cost calculation comparing each of the policy packages to the baseline can be found at the end of this annex, in tables 27 and 28, pages 29-30.

General assumptions for administrative cost calculation

From an administrative cost point of view, the situation of ports is different between Member States. This means that reasonable assumptions on the number of stakeholders and frequency with which they will potentially be affected need to be constructed.

Number of ports

The considered policies will apply to TEN-T ports which include Comprehensive¹ TEN-T ports and Core TEN-T ports. Based on most recent available documents (still under negotiation) there are 319 TEN-T ports in Europe. These include 94 Core TEN-T ports and 225 Comprehensive TEN-T ports.

Nature of ports

The large majority of European ports are publicly owned. Hence administrative burden to the port managing body is assumed to result in administrative cost to the public sector.

Number of service providers

Table 1 presents the outcome of the Survey Phase 1 on the type of operators which are responsible for providing different port services in European ports.

In case the port service is awarded to more than one private operator, it is actually unknown the total number of awarded contracts. However it can be reasonably assumed that in the large majority of case the contracts are actually awarded to two operators. In case of “Cargo handling ship-shore/stevedoring” and “Cargo handling shore-inland transport”, we assume that the contracts are awarded to 10 operators; finally in the case of “passenger services” it is assumed that the number of private providers is 3. Table 2

¹ Comprehensive TEN-T: The total annual passenger traffic volume exceeds 0,1 % of the total annual passenger traffic volume of all maritime ports of the Union and/or The total annual cargo volume – either for bulk or for non-bulk cargo handling – exceeds 0,1% of the corresponding total annual cargo volume handled in all maritime ports of the Union. The reference amount for this total volume is the three-year average 2008-2009-2010 based on the statistics published by Eurostat.

provides an estimation of the number of service providers by category in all the TEN-T ports.

Table 1 – Port services providers by category in TEN-T ports – Survey Phase 1

Port service	Port authorities	Other Public	One private	Two or more	Other/Not specified	Total number of ports
Pilotage inside port area	39	39	86	11	26	197
Pilotage outside port area	20	48	49	16	50	179
Towage inside port area	19	1	77	68	7	172
Towage outside port area	7	0	49	71	37	164
Mooring	22	5	104	57	10	198
Dredging inside port area	58	8	16	45	48	175
Provision of waste reception facilities	38	9	44	62	33	185
Cargo handling ship-shore/stevedoring	14	7	24	117	18	179
Cargo handling shore-land transport	7	5	20	122	27	181
Warehousing	14	4	15	128	22	182
Passenger services	11	2	8	26	1	48
Rail terminal operations	10	20	25	77	48	180
Port security services	79	19	13	67	7	184
Bunkering	1	2	25	105	28	161
Ice-breaking	14	5	3	18	127	167

Table 2 – Assumption: Number of port services contracts by category in all TEN-T ports

Port service	Port authorities	Other Public	One private	Two or more	Total number of port service contracts	Total number of ports
Pilotage inside port area	73	73	160	41	346	319
Pilotage outside port area	49	118	120	78	365	319
Towage inside port area	37	2	149	263	450	319
Towage outside port area	18	0	123	357	497	319
Mooring	37	8	176	193	416	319
Dredging inside port area	146	20	40	226	432	319
Provision of waste reception facilities	80	19	92	260	451	319
Cargo handling ship-shore/stevedoring	28	14	48	2317	2406	319
Cargo handling shore-land transport	15	10	41	2527	2593	319
Warehousing	28	8	30	2550	2616	319
Passenger services	75	14	54	529	672	319
Rail terminal operations	24	48	60	372	505	319

Number of awarded services contracts with value above 5 Million euro

For the purpose of this analysis the following assumptions are made:

- 70% of the service contracts present a value above 5 million Euro
- Contracts are assumed to have different average duration according to the type of port services (see table below).

Total number of awarded contracts in EU is assumed to be the number of contracts which have been currently awarded to private operators.

Table 3 – Service contracts above 5 million Euro threshold

Port service	Estimation: total number of awarded contracts in EU	Estimation: number of awarded contracts in EU > 5 million Euro	Assumption: duration of contracts (years)
Pilotage inside port area	201	141	10
Pilotage outside port area	199	139	10
Towage inside port area	412	288	10
Towage outside port area	480	336	10
Mooring	370	259	5
Dredging inside port area	266	186	5
Provision of waste reception facilities	352	247	20
Cargo handling ship-shore/stevedoring	2364	1655	25
Cargo handling shore-inland transport	2569	1798	25
Warehousing	2580	1806	25
Passenger services	584	409	25
Rail terminal operations	433	303	25
Port security services	265	185	5
Bunkering	564	395	15
Ice-breaking	311	218	10

Services linked to PSO, space constraints and “normal services”

The definition of what is a port services contracts linked to space constraints or a “normal service” should be done port by port. However since this is not possible, table 3 provides an estimation based on reasonable assumptions.

Table 4 – Estimation of number of port services contracts linked to PSO, space constraints and “normal services”

Port service	Assumptions			Estimation		
	PSO	Space constraints	Normal	PSO	Space constraints	Normal
Pilotage inside port area	100%	0%	0%	346	0	0
Pilotage outside port area	100%	0%	0%	365	0	0
Towage inside port area	70%	0%	30%	315	0	135
Towage outside port area	70%	0%	30%	348	0	149
Mooring	20%	0%	80%	83	0	333
Dredging inside port area	0%	100%	0%	0	432	0
Provision of waste reception facilities	50%	50%	0%	225	225	0
Cargo handling ship-shore/stevedoring	20%	70%	10%	481	1684	241
Cargo handling shore-inland transport	20%	70%	10%	519	1815	259
Warehousing	20%	70%	10%	523	1831	262
Passenger services	20%	70%	10%	134	470	67
Rail terminal operations	0%	100%	0%	0	505	0
Port security services	0%	100%	0%	0	441	0
Bunkering	20%	0%	80%	114	0	457
Ice-breaking	90%	0%	10%	416	0	46

Terminal and port services awarded with public tendering procedures

As shown in figure 1, respondents to Survey Phase 1 reported that public tendering or competitive bidding is widely used in ports. More precisely it can be used for awarding or renewing a contract in the large majority of ports (86%) when a port service contract is awarded and in almost 3 out of 4 ports (71%) when a terminal contract is awarded. This way, an assumption on the overall number of contracts that are currently awarded with tendering procedures and the number of contracts that potentially will be awarded with tendering procedures in the future can be made.

Figure 1 - type of awarding or renewal process for main terminals and port service contracts

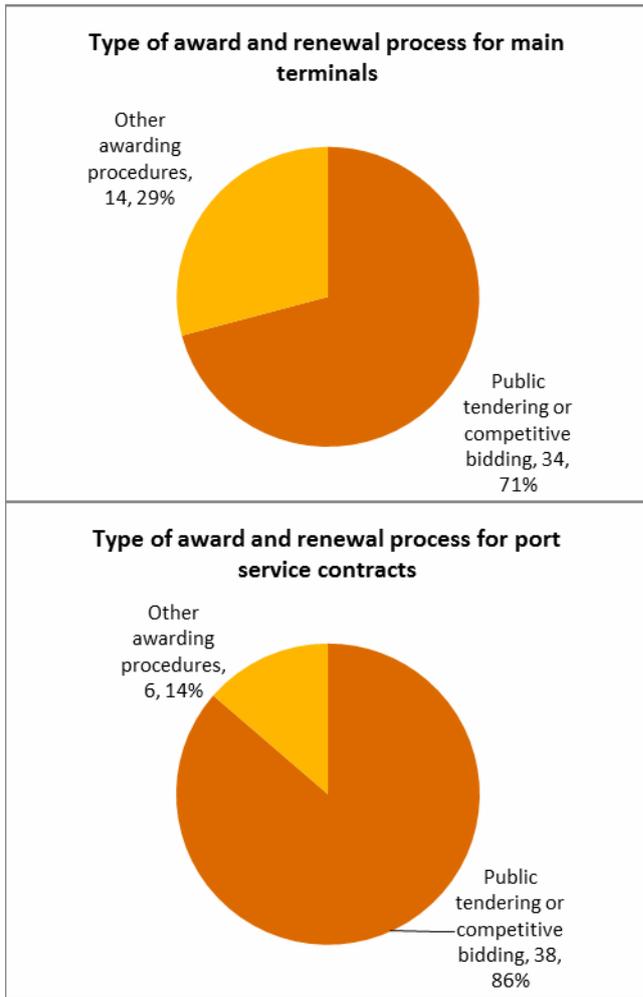


Table 5 – Estimation of number of port services contracts currently awarded with public tendering procedures

Port service	Estimation: contracts awarded with public tendering		
	PSO	Space constraints	Normal
Pilotage inside port area	298	0	0
Pilotage outside port area	314	0	0
Towage inside port area	271	0	116
Towage outside port area	299	0	128
Mooring	72	0	286
Dredging inside port area	0	372	0
Provision of waste reception facilities	194	194	0
Cargo handling ship-shore/stevedoring	342	1196	171
Cargo handling shore-inland transport	368	1289	184
Warehousing	371	1300	186
Passenger services	95	334	48
Rail terminal operations	0	359	0
Port security services	0	380	0
Bunkering	98	0	393
Ice-breaking	358	0	40

Port services provided in house and port services awarded with exclusive rights

Table 6 presents the number of port service provided in house by the port managing body in European ports according to respondents of Survey Phase 1. Table 6 also provides the number of port services awarded with exclusive rights to either a private or public operator other than the port authority.

In the case of cargo handling and passenger services, it is assumed that the services directly awarded with exclusively right are given by the total number of services provided by private operators multiplied by the share of services not awarded with public tendering.

Unit labour cost and overhead cost

The PwC study on Public procurement in Europe² provides an estimation of the typical man-day cost for carrying out administrative activities: the study suggests an inclusive man-day cost of 250 Euro for authorities and of 193 Euro for firms. The cost includes labour cost and typical overhead costs.

Unit cost for public tendering

Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 define the procurement procedures of entities operating in the transport and other services sectors of public interest. A recent PwC study on Public procurement in Europe³ provides information on efforts and costs by authorities and firms in managing and taking part to tendering process. A typical tender process effort by an administration in the port sector is 24 man-days. Firms that will take part to the tender will incur in one off costs for the submission of document(s) related to selection criteria and exclusion criteria. Their effort is estimated to be 16 man-days per firm. Considering that on average 5.9 firms take part at each competition in the port sector, it can be assumed that each procurement will involve an effort of 94.4 man-days by the private sector. Hence it can be assumed that each service contract to be procured will generate one off costs to the port managing body or other relevant administration of 6,000 Euro. The overall cost to the business is estimated at 18,219 Euro.

² PwC, London Economics and Ecorys, Public procurement in Europe, Cost and effectiveness, Prepared for the European Commission, March 2011

³ Ibidem.

Table 6 – Estimation of number of port services provided in house and awarded with exclusive rights

Port service	Survey findings		Overall estimation		
	Provided in house	Provided by other public entity	Provided in house	Provided by other public entity	Provided by other operator
Pilotage inside port area	39	39	73	73	201
Pilotage outside port area	20	48	49	118	199
Towage inside port area	19	1	37	2	412
Towage outside port area	7	0	18	0	480
Mooring	22	5	37	8	37
Dredging inside port area	58	8	146	20	266
Provision of waste reception facilities	38	9	80	19	352
Cargo handling ship-shore/stevedoring	14	7	28	14	2124
Cargo handling shore-inland transport	7	5	15	10	2309
Warehousing	14	4	28	8	2318
Passenger services	11	2	75	14	517
Rail terminal operations	10	20	24	48	433
Port security services	79	19	142	34	265
Bunkering	1	2	2	5	564
Ice-breaking	14	5	112	40	265

Unit cost for public tendering in case of imposition of two operators

For services linked to space constraints, it has been considered to impose the obligation to have at least 2 operators and the obligation of public tendering for new contracts except below a certain threshold (for small contracts).

In case of occurrence of such circumstances the cost for public tendering will be doubled.

Unit cost for public tendering in case of major contract changes

For the aim of the analysis it is assumed that 1 out of 20 contracts will be re-tendered following major changes to be considered on the value of the contracts or on the services to be provided. On average this is expected to happen at half of the initially stipulated duration of the contract.

Hence under this measure it is expected that both the public sector and the business will anticipate part of the tendering procedures. On annual average this is expected to result in an increase of 2.5% of the tendering costs for both parties.

Unit cost for port service tariff definition

The process for the price setting of each regulated service potentially involves one or more national authorities, the port managing body, the port service provider and the industry and users representatives.

For the aim of this analysis we consider three different situations:

- Services directly awarded to a private port service provider
- Services carried out in house by the port managing body
- Services carried out by another public body/entity

In all cases it is assumed that every 2 years a report which summarises the prospect of the costs and revenues of the activity will be produced. Port managing body and other authority are responsible for auditing these reports. Also the industry associations are involved in the auditing of the report. All the mentioned parties are required to attend a couple of meetings to negotiate the service tariff.

For the aim of the analysis the recurrent effort to be sustained by who provides the service is assumed to be 10 man-days for the preparation of the report and 2 man-days for attending 2 meetings.

The port managing body is assumed to allocate 5 man-days as for other public authorities.

Finally industry associations and users' representative are assumed to allocate 12 man-days for auditing the report and attending the meetings.

Hence, in the case of direct award, the cost for occurrence to the public sector can be quantified at 2,500 Euro (recurrent every about 2 years). The overall recurrent cost to the business is quantifiable at 4,632 Euro (recurrent every about 2 years).

In case of services provided in house or by another public entity, the cost for occurrence to the public sector can be quantified at 5,500 Euro (recurrent every about 2 years). The overall recurrent cost to the business is quantifiable at 2,316 Euro (recurrent every about 2 years).

In addition a one off cost should be considered for the first year of application or modification of the procedure for tariff definition. The one off effort is expected to be as high as 50% of the recurrent effort sustained by all parties each time the tariff is reviewed.

Unit cost of separation of accounts

The separation of accounts involve one off costs to the managing body for the definition of the new accounting system and for updating the accounting IT system. These costs will vary according to the size of the company and the number of accounting operations to be performed. Typical cost can be assumed to be in the region of 60,000 – 90,000 Euro; on average 75,000 Euro.

Recurrent costs for the preparation of separate accounts are small or not relevant.

Unit cost of functional separation

Legal separation of public functions from commercial functions linked to the provision of port services into independent entities will generate new administrative costs to the port managing bodies.

Expected administrative costs mainly concern the provision set out by three different Council directives:

- “Second Directive”: Incorporation of public limited liability companies and the maintenance and alteration of their capital.
- “Sixth Directive”: Division of public limited liability companies.
- “Seventh Directive”: Consolidated accounts of limited liability companies.

Indeed, the port managing body will incur one off costs for the division of its activities and the incorporation of the new legal entities. In addition the port managing body will incur recurrent costs for the preparation of consolidated accounts.

Findings from the EU Project on Baseline Measurement and Reduction of Administrative Costs⁴ provide for average figures on administrative costs incurred by European firms in responding to requirements set by the above mentioned directives.

The average administrative cost met by firms in case of division is assumed to be 36,093 Euro per occurrence. The incorporation of each new legal entity will result in one off costs of 11,045 Euro.

The functional separation will also involve the preparation of dedicated accounts for the new business unit. The one off cost for the definition of the new system is assumed to be equal as for the separation of accounts (i.e. 75,000 Euro). Recurrent costs are not expected with this regard.

In addition each managing body will incur recurrent costs for the preparation of consolidated accounts. The recurrent average expense per port is assumed to be 3,816 Euro per year.

Finally the implementation of a new structure of governance and management for each new legal entity will generate substantial costs. The costs will depend on the size of the new company and might include the appointment of an administrator and of a board of directors. Statistics on additional cost of governance for a new company resulting from a legal separation are not available; however these are reasonable assumed to be on the region of 130,000 – 150,000 Euro per year.

In summary each functional separation will generate recurrent costs that for the port managing body are quantifiable at 215,000 Euro/year. The one off costs per occurrence are expected to be 50,954 Euro.

Financial transparency between public and port authorities

The preparation of accounts which allow for identifying any financial flow (grants, loans guarantees, equity share etc.) from public authorities to the port authority do not imply the adoption of a new accounting system. It is assumed that port managing staff will allocate an extra effort of 10 man-days for comply with the new transparency requirements. Hence the average annual cost per port is assumed to be 2,500 Euro.

Unit cost for port dues definition

The process for the definition of port infrastructure charges or dues can involve one or more national authority and the port managing body. Optionally, the process could involve also port users' representatives, nevertheless this has not been considered in this analysis.

For the aim of this analysis we consider three different situations:

⁴ Measurement data and analysis, Priority Area Annual Accounts/Company Law, EU Project On Baseline Measurement and Reduction of Administrative Costs, February 2009

- 33% of ports where dues are defined by the port managing body but where the competent authority is responsible for auditing, reviewing and finally approving the dues.
- 33% of ports where dues are defined by the competent authority; however a relevant effort by the port managing bodies is also expected.
- 33% of ports where dues are defined by port managing bodies with not relevant involvement of other parties.

Under the first case, the port managing body is required to produce every 5 years a report which summarises the prospect of the costs and revenues of the port activity. Local or national authorities are responsible for auditing the report provided by the port managing body. All the mentioned parties are required to attend a number of meetings to negotiate the port dues or charges.

For the aim of the analysis, it is assumed that the port managing body allocate 20 man-days for the preparation of the report. The local and national authorities allocate further 20 man-days for the auditing of the report. Finally all parties are expected to allocate 20 man-days for attending different meetings.

Hence the cost for occurrence to the public sector can be quantified at 15,000 Euro (recurrent every about 5 years).

Under the second case it is assumed that the effort will be shared in different ways between the parties involved. Nevertheless the overall effort in terms of man-days and costs is as for the first case.

Finally under the third case, the port managing body defines the port dues in autonomy. The effort is expected to be lower if compared to the previous cases, but probably more frequent. It is assumed that 5 man-days are allocated annually to this activity. The recurrent cost to the public sector is thus estimated at 1,250 Euros per year.

In case of modification of the rules for the definition of the port dues it is assumed that the cost is one-off doubled.

Unit cost of central port coordination

This activity involves regular exchange of information between port service providers and public authorities and the attendance to a couple of meetings per year. It is assumed that this activity is already carried out in one way or the other in all TEN-T ports. For the aim of the analysis it is assumed that public authorities (including the port managing body) dedicate 40 man-days per year to coordination of port services. The private business and in particular port service providers are assumed to allocate 2 man-days per each year. Assuming that on average there are 20 service providers in each port, the overall effort is expected to be 40 man-days per year.

The unit cost per port to the public sector is expected to be 10,000 Euro/year. The unit cost per port to the private businesses is estimated to be 7,200 Euro/year.

Following the formal appointment of the port managing body as the coordinator of the port services in each port, it is expected that its administrative burden is slightly increased. It is assumed that all Member States and ports have already similar instruments in place, however, in a relevant number of cases it is expected that the practice in use need substantial further development. For the aim of this analysis it is assumed that on average the annual cost to the port managing body will increase by 40%. Hence the recurrent additional administrative cost to the public sector is expected to be 4,000 Euro per year.

The businesses are assumed not to experience any additional administrative cost compared to the baseline scenario.

Unit cost of port users' committee

A port users' committee involves the participation of port service providers, shipping companies and land transport operators. In addition also the port managing body and other maritime authorities are involved. The activity is assumed to include the organisation of a couple of meetings per year.

It is assumed that this activity is already currently carried out in about 50% of all TEN-T ports. For the aim of the analysis it is assumed that public authorities (including the port managing body) dedicate 10 man-days per year to collect claims and suggestions from port services providers and to organise meetings. The private business and in particular port service providers but also port users are assumed to allocate 2 man-days per each year. Assuming that on average there are 20 service providers and 20 port users in each port willing to actively participate to the works of the committee, the overall effort is expected to be 80 man-days per year.

Hence the unit cost of a port committee to the public sector is assumed to be 5,000 Euro per year. The cost to the businesses is estimated to be 15,440 Euro per year.

Policy measures which imply variations of administrative costs

Relevant policy measures are the following:

Table 7 – Preliminary assessment of administrative burden

Measures	Description	Relevance of administrative costs
1. Freedom to provide services (no restrictions on market access) for "normal services", i-e services other than those linked to public service obligations or space constraints	The freedom to provide service applies and relates to the free entry of any service provider established in the EU. Operators would be authorised on the basis of transparent and non-discriminatory criteria. These criteria would be determined, published and made accessible to all by the Member States.	Small: new contracts will be awarded without public tendering. Overall administrative costs are expected to decrease for this measure.
2. Obligation of public tendering for new contracts in the case of public service obligations or space constraints (except for small contracts or urgencies)	Member States and the port authorities would be allowed to impose restrictions to the freedom to provide service on the ground of objectives reason of space constraint *** or public service obligations**. But in such case, the Member State or the port authority would need to enter into a contractual arrangement with a port service provider to be selected by means of a transparent public tendering procedure (except for small contracts or urgencies)*	Moderate: a relevant number of contracts will be awarded with public tendering. This will involve new costs for both the ports and the port service providers.
3. Explain in a Communication from the Commission how existing Treaty rules apply in the case of port services public service obligations or with space constraints	By contrast with other measures relying on binding provisions for Member States, this measure would entail a Communication from the Commission to explain how the principle of non-discrimination and free establishment result in an obligation of transparency and equal treatment (teleaustria ruling) and how it can be applied in practices to arrangements/contracts awarded to port service operators.	Small: this is expected to affect a minority of ports.
4. Impose the obligation to have at least 2 operators for services linked to space constraints to be selected after a public tender for new contracts (except for small contracts or urgencies)	In the case of port services subject to space constraints the port authority or the Member State needs to assure that there are at least 2 competing and independent operators. A public tendering obligations is imposed.	Small / moderate: as for measure 2, public tendering involve new administrative costs. Nevertheless this should apply to a restricted number of cases.

<p>5. Obligation of public tendering in case of substantial changes of existing contracts linked to public service obligations or space constraints</p>	<p>Same as measure 2 but in addition the obligation of public tendering in will apply also in case of substantial modification of existing contracts/arrangements. A substantial modification would entail a modification of at least e.g. 30% of the value of the contract/arrangement and/or a change of the nature of activity.</p>	<p>Small: as for measure 2, public tendering involve new administrative costs. Nevertheless this cost is only anticipated and it will apply to a limited number of cases.</p>
<p>6.Confinement for internal operators of port services</p>	<p>In the event that a port or public authority is performing (commercial) port services in-house [as a derogation to the freedom to provide service and the application of a public tendering procedure (cf measures 1,2,3 and 5)], the operation of the service shall be confined to the dedicated port, or group of ports, serviced by the port managing body or the authority, and consequently the internal provider cannot offer the service outside of the port or group of ports. This will avoid that operators which can benefit from potential cross-subsidies enjoy unfair competitive advantages.</p>	<p>Not relevant: no new administrative costs are envisaged</p>
<p>7. Rules on the price of port services provided by operators in monopolistic position</p>	<p>Derogating from the general rule of freedom to provide service (cf measure 1) could leave the service provided by internal operators or operators with exclusive/special rights with an insufficient (or non existing) competitive pressure. To avoid price abuses, this measure would impose basic principles on pricing, namely proportionality (cost based), transparency and non-discrimination (with possibilities to apply commercial rebates if accessible to all users). The Member State will need to designate a regulatory authority (eg an existing competition authority) to deal with the oversight and complaints by port service users.</p>	<p>Moderate: in all or in the large majority of ports the prices of port services are defined according to national or local rules. Redefining the prices according to common European principles will involve minor additional costs.</p>
<p>8. Rules on the price of port services provided by operators in monopolistic position for which no public tender is organised</p>	<p>The measure will be the same as measure 7 except that it would apply only to services for which no public tender applies and therefore for which the market cannot be contested at the end of the contract. If the market cannot be contested at the end of the contract by means of a public tender, the competitive pressure is indeed weaker. The scope is therefore more limited than measure 7 and focus where the likelihood of absence of competitive pressure is higher</p>	<p>Small: as for measure 7, but a smaller number of cases will be considered.</p>

9. Central Port Coordination	In a free market situation, there is a possible proliferation of port service providers. This will lead to potential conflicts between the different service providers. Therefore, the MS will be obliged to ensure a central port coordination in every port to ensure the seamless and safe operation during entry and exit of the port and inside the port.	Small/moderate: central port coordination is one of the typical functions of the port managing body. Having this measure in place will involve an higher effort on this matter for some ports.
10. Port users' committee	<p>A port users' committee would be set up in each port. The committee would facilitate the dialogue between all port actors (users, service providers, authorities) in order to ensure a seamless logistical flow of freight (and passengers) in the port and to and from the hinterland. It would be organised by, but independent from, the port authority (ies). Its precise competences and composition of the committee would be left over to the discretion of the MS or port authority and will include at least the following:</p> <ul style="list-style-type: none"> • regular consultative role on the structure and level of port dues • ad-hoc consultative role (at the request of the regulatory authority of measures 7 and 8) on possible (price) abuses of port services • recommend an administrative simplification plan. <p>The plan would include performance targets (eg maximum duration of administrative procedure) and issue recommendations on how to organise the sharing and management of data flows related to cargo for intra-port freight movements, allowing shipping lines, terminal operators, freight forwarders, shippers and hinterland providers (rail, truck, barge) to organise the movement of cargo (main focus on containers) in the most efficient way.</p>	Small / moderate: a large number of ports are expected to have already a port users' committee or similar entities. Thus the cost which is not believed to be high will actually impact a minority of ports.
11. Functional separation	Ports would have to legally separate public functions from commercial functions linked to the provision of port services into independent entities. Obviously, this entails also a full separation of accounts as presented in measure 12, as each of the presented activities would be subject of a different legal entity.	High: the cost for legal separation of business functions involve relevant administrative costs. The cost will be incurred by a relevant number of ports.

12. Separation of accounts	Port authorities which receive public funds * would keep an accounting system that allows to identify any financial flow from public authorities to the port authority. The accounting system would also differentiate between the different types of activities carried out by the port authorities (1) port (public) functions and (2) (commercial) service activities and to differentiate between the different (commercial) services provided in order to reveal possible cross-subsidies**. The accounts will have to kept at the disposal of the national and EU competition authorithies in order to help them to identify more easily possible state aids and distorsion of competion between ports and between port service providers.	Moderate / high: the cost will be significantly lower if compared to measure 11 but still relvant since it will involve a large number of ports.
13. Financial transparency between public and port authorities	Port authorities which receive public funds * would keep an accounting system that allows to identify any financial flow (grants, loans guarantees, equity share etc.) from public authorities to the port authority. The accounts will have to kept at the disposal of the national and EU competition authorities in order to help them to identify more easily possible distortive state aids.	Small: cost will be lower if compared to measure 12.
13. Autonomy of the individual ports to set dues	Each port managing body shall be free to set the structure and level of the port dues (related to the use of the port access infrastructure) as it feels appropriate, provided that the rules applicable below are respected.	Small: ports will save on the cost for setting prices according to national/local rules but will incurr new costs to define prices according to commercial rules.
14. Cost-based and differentiated port dues	Binding rules will be introduced to ensure that infrastructure charges respect the principle of proportionality to cost (long term marginal cost-based),. Environmental differentiation of charges will be introduced according to objective criteria left to the Member State.	Small: in all or in the large majority of ports the port dues are defined according to national or local rules. Redefining the port dues according to common European rules will involve small costs.
15. Enabling variations of port dues based on the environmental performance	The measure will allow price discrimination if it provides incentives to cleaner transport (cleaner ships/propulsion/fuels, certain short sea shipping). The Commission will also establish non-binding guidelines on how to apply such a variation (e.g. classification to be used).	Not relvant: this measure does not involve additional costs compared to measure 14

16. Transparency of port due calculation	The prices and calculation method for port infrastructure access charges related to the public access facility to a port will be made accessible to the port users and the authorities. The method will have to indicate the overall cost components and how the total port dues contribute to recoup it.	Not relevant: the publication of the principles for charging does not involve relevant costs.
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Measures which present small, moderate or high administrative costs are to be compared against the base line scenario.

Assessment of the administrative burden in the baseline scenario

The considered policy measures are likely to generate additional administrative costs on both the public sector and businesses. However, these costs are likely to increase administrative costs which already incurred by the parties.

There are no one-off costs to be considered under the baseline scenario.

Freedom to provide service for "normal services" - no public tendering

Currently there are contracts for "normal services" which are awarded with tendering procedures. Under this measure the costs that currently are incurred for these tendering procedure will be potentially saved.

Table 8 provides an estimation of the number of "normal contracts" which are currently awarded with public tendering procedures. Furthermore, we provide a calculation of the average annual costs that will be incurred to renew these contracts with public tendering process.

Table 8 – Estimation of the average annual cost currently sustained for awarding "normal service" contracts with tendering procedures

Port service	Assumptions: Number of normal contracts awarded with public tendering			Cost per occurrence (Euro)		Recurrent average cost (Euro / year)	
	Share of normal services to the total	Normal services	Average duration (year)	Public sector	Businesses	Public sector	Businesses
Pilotage inside port area	0%	0	10	0	0	0	0
Pilotage outside port area	0%	0	10	0	0	0	0
Towage inside port area	30%	116	10	697.322	2.117.443	69.732	211.744
Towage outside	30%	128	10	769.880	2.337.767	76.988	233.777

port area							
Mooring	80%	286	5	1.716.084	5.210.947	343.217	1.042.189
Dredging inside port area	0%	0	5	0	0	0	0
Provision of waste reception facilities	0%	0	20	0	0	0	0
Cargo handling ship-shore/stevedoring	10%	171	25	1.024.899	3.112.140	40.996	124.486
Cargo handling shore-inland transport	10%	184	25	1.104.801	3.354.764	44.192	134.191
Passenger services	10%	48	25	286.245	869.192	11.450	34.768
Bunkering	80%	393	15	2.356.436	7.155.397	157.096	477.026
TOTAL						743.671	2.258.181

Public tendering for services with a PSO or space constraints

Table 9 reports the estimation of number of relevant port services that have been awarded with public tendering. It is assumed that the tendering cost is to be incurred every time a contract will be renewed.

It is assumed that each service contract to be procured will generate one off costs to the port managing body or other relevant administration of 6,000 Euro. The overall cost to the business is estimated at 18,219 Euro.

However, given different assumptions on the durations of contracts, the table provides an estimation of the annual average recurrent cost to be incurred by different parties for the tendering procedures.

Table 9 – Estimation of the average annual cost currently sustained for awarding service contracts involving PSO and/or Space constraints

Port service	Assumption: Number of PSO and S.C. contracts awarded with public tendering			Cost per occurrence (Euro)		Recurrent average cost (Euro / year)	
	PSO and Space constraints >5 M€	Share of tendered contracts	Average duration (years)	Public sector	Businesses	Public sector	Businesses
Pilotage inside port area	121	86%	10	730.688	2.218.757	73.069	221.876
Pilotage outside port area	120	86%	10	722.574	2.194.120	72.257	219.412
Towage inside port area	167	86%	10	1.004.456	3.050.064	100.446	305.006
Towage outside port area	199	86%	10	1.199.122	3.641.175	119.912	364.117
Mooring	22	86%	5	139.995	425.100	27.999	85.020
Dredging inside port area	160	86%	5	966.862	2.935.909	193.372	587.182
Provision of waste reception facilities	212	86%	20	1.277.190	3.878.231	63.860	193.912
Cargo handling ship-shore/stevedoring	1055	71%	25	6.337.123	19.242.885	253.485	769.715
Cargo handling shore-inland transport	1148	71%	25	6.890.380	20.922.867	275.615	836.915
Passenger services	257	71%	25	1.544.488	4.689.890	61.780	187.596
Bunkering	64	86%	15	391.546	1.188.943	26.103	79.263
TOTAL						1.267.898	3.850.014

Rules on the price of port services provided in monopolistic position

Table 10 provides an estimation of the number of contracts awarded with exclusive or special rights. Among these contracts, it is assumed that currently only 70% of contracts for technical nautical services include provisions on price setting and review. 100% of contracts for waste reception facilities are assumed to be price regulated in compliance with provisions set by art. 8 of Directive 2000/59/EC⁵. All other types of service are assumed not to be price regulated.

⁵ Directive 2000/59/EC of the European Parliament and of the Council of 27 November 2000 on port reception facilities for ship-generated waste and cargo residues.

Furthermore assuming that the service tariffs are reviewed every two years, table 9 provides for an estimation of the annual average cost currently incurred by the public sector and the business.

Table 10 – Estimation of the average annual cost currently sustained for service tariff setting and or reviewing

Port service	Assumption: number of contracts with exclusive or special rights			Assumptions: port services which are price regulated			Recurrent average cost (Euro / year)	
	Provided in house	Provided by other public entity	Provided by other operator	Provided in house	Provided by other public entity	Provided by other operator	Public	Businesses
Pilotage inside port area	73	73	201	51	51	141	455.017	443.237
Pilotage outside port area	49	118	199	34	82	139	494.771	457.163
Towage inside port area	37	2	277	26	1	194	316.511	479.864
Towage outside port area	18	0	331	12	0	231	323.082	550.147
Mooring	37	8	37	26	6	26	120.855	97.656
Dredging inside port area	146	20	266	0	0	0	0	0
Provision of waste reception facilities	80	19	352	80	19	352	711.149	929.711
Cargo handling ship-shore/stevedoring	28	14	2124	0	0	0	0	0
Cargo handling shore-inland transport	15	10	2309	0	0	0	0	0
Passenger services	75	14	517	0	0	0	0	0
Bunkering	2	5	107	0	0	0	0	0
TOTAL							2.421.385	2.957.779

Central Port Coordination

The unit cost per port to the public sector is expected to be 10,000 Euro / year. The unit cost per port to the private businesses is estimated to be 7,720 Euro / year.

Table 11 – Estimation of the recurrent yearly costs for central port coordination

	N. of ports	Cost to the Public sector (Euro)	Cost to the Businesses (Euro)
Central port coordination	319	3.190.000	2.462.680

Port users' committee

It is expected that this activity is already currently carried out in about 50% of all TEN-T ports. The unit cost of a port committee to the public sector is assumed to be 5,000 Euro per year. The cost to the businesses is estimated to be 15,440 Euro per year.

Table 12 – Estimation of the recurrent yearly costs for port users' committee

	N. of ports	Cost to the Public sector (Euro)	Cost to the Businesses (Euro)
Port users' committee	160	400.000	2.470.400

Cost-based and differentiated port dues

As explained earlier, three different cases are assumed for the calculation of the cost involved in the definition of port dues. Table 13 provides the outcome of the calculation based on provided assumptions.

Table 13– Estimation of the recurrent yearly costs for port dues calculation

	N. of ports	Cost to the Public sector (Euro)	Cost to the Businesses (Euro)
Dues are defined by the port managing body with Government approval	106	319.000	0
Dues are defined by the Government	106	319.000	0
Dues are autonomously defined by the port managing body	106	132.917	0
Total	319	770.917	0

Summary of administrative costs under the baseline scenario

Table 14 provides a summary of the recurrent administrative costs incurred by the public sector and the businesses under the baseline scenario.

Table 14– Estimation of the recurrent yearly administrative costs – baseline scenario (Euro /year)

Measure	Cost to the Public sector (Euro)	Cost to the Businesses (Euro)
1. Freedom to provide service for "normal services" - no public tendering	743.671	2.258.181
2. Public tendering for service contracts with a PSO or space constraints > 5 M€	1.267.898	3.850.014
3. Communication from the Commission on how existing Treaty rules apply in the case of port services	N/A	N/A
4. Obligation to have at least 2 operators in case of space constraints - public tendering	N/A	N/A
5. Public tendering in case of major contract changes	N/A	N/A
6. Confinement of internal (public) providers of port services	N/A	N/A
7. Rules on the price of port services provided by operators in monopolistic position	2.421.385	2.957.779
8. Rules on the price of port services awarded directly to operators in monopolistic position	as M7 above	as M7 above
9. Central Port Coordination	3.190.000	2.462.680
10. Port users committee	400.000	2.470.400
11. Functional separation	N/A	N/A
12. Separation of accounts	N/A	N/A
13. Financial transparency between public and port authorities	N/A	N/A
14. Freedom for individual ports to set dues	as M15 below	0
15. Cost-based and differentiated dues	770.917	0
16. Enabling variations based on environmental performance	N/A	N/A
17. Transparency of port due calculation	small	small
TOTAL	8.793.870	13.999.053

In the baseline scenario the cost annually incurred by the businesses are about 13.4 million Euros. The public sector and in particular the port managing bodies face 8 million

Euro of administrative costs per year. Hence, on average every year, each port generates slightly more than 200,000 Euro of administrative costs to the public sector.

Comparison of the administrative burden for the baseline and policy packages

According to the preliminary assessment provided in table 6 there are 16 policy measures which imply variation of the administrative burden compared to the baseline scenario.

There are both recurrent and one off costs to be considered under the different policy packages.

Freedom to provide service for "normal services" - no public tendering

Currently there are contracts for "normal services" which are awarded with tendering procedures. Under this measure the costs that currently are incurred for these tendering procedure will be saved.

Hence costs assumed under the baseline scenario will not be incurred in case of application of measure 1.

Public tendering for services contracts with a PSO or space constraints > 5 M€

Table 15 reports the estimation of number of relevant port services that should be awarded with public tendering. It is assumed that the tendering cost is to be incurred every time a contract will be renewed.

It is assumed that each service contract to be procured will generate one off cost to the port managing body or other relevant administration of 6,000 Euro. The overall cost to the business is estimated at 18,219 Euro.

However, given different assumptions on the durations of contracts, table 14 provides an estimation of the annual average cost to be recurrently incurred by different parties for the tendering procedures.

Table 15 – Estimation of the average annual cost to be incurred for awarding service contracts involving PSO and/or space constraints

Port service	Number of contracts awarded with public tendering		Cost per occurrence (Euro)		Recurrent average cost (Euro / year)	
	PSO and S.C. contracts	Average duration	Public sector	Businesses	Public sector	Businesses
Pilotage inside port area	141	10	843.637	2.561.731	84.364	256.173
Pilotage outside port area	139	10	834.202	2.533.083	83.420	253.308
Towage inside port area	194	10	1.161.972	3.528.367	116.197	352.837
Towage outside port area	231	10	1.388.328	4.215.705	138.833	421.570
Mooring	26	5	156.785	476.083	31.357	95.217
Dredging inside port area	186	5	1.118.258	3.395.629	223.652	679.126
Provision of waste reception facilities	247	20	1.479.105	4.491.352	73.955	224.568
Cargo handling ship-shore/stevedoring	1487	25	8.919.525	27.084.435	356.781	1.083.377
Cargo handling shore-land transport	1616	25	9.698.760	29.450.608	387.950	1.178.024
Passenger services	362	25	2.169.336	6.587.260	86.773	263.490
Bunkering	75	15	449.286	1.364.273	29.952	90.952
TOTAL					1.613.235	4.898.642

Communication from the Commission on how existing Treaty rules apply in the case of port services

For the aim of the analysis it is assumed that 20% of ports and Member States will on voluntary basis adopt managing practice in line with the provisions set by measures 1 and 2. Thus it is assumed that the administrative costs to be incurred are 20% of these expected in case of adoption of measure 1 and 2.

Obligation to have at least 2 operators in case of space constraints - public tendering

It has been estimated that there are 2,826 port services involving space constraints, having a value higher than 5 million euro. Under this option it is envisaged that in the

case of port services subject to space constraints the port managing body or the MS needs to assure that there are at least 2 competing and independent operators. Hence, 2,826 contracts will need to be tendered in addition to these considered under measure 2.

Both the public sector and the business will face administrative costs for the tendering procedures connected with the contracts to be awarded. Table 16 provides for an estimation of the recurrent average annual costs to be incurred by the parties to award two contracts per each port service presenting space constraints.

Table 16 – Estimation of the average annual cost to be incurred for awarding a second service contract in case of services with space constraints

Port service	Number of additional contracts to be awarded with public tendering		Cost per occurrence (Euro)		Recurrent average cost (Euro / year)	
	Space constraints	Average duration (years)	Public sector	Businesses	Public sector	Businesses
Pilotage inside port area	0	10	0	0	0	0
Pilotage outside port area	0	10	0	0	0	0
Towage inside port area	0	10	0	0	0	0
Towage outside port area	0	10	0	0	0	0
Mooring	0	5	0	0	0	0
Dredging inside port area	0	5	0	0	0	0
Provision of waste reception facilities	123	20	1.479.105	4.491.352	73.955	224.568
Cargo handling ship-shore/stevedoring	1158	25	13.901.984	42.213.839	556.079	1.688.554
Cargo handling shore-inland transport	1259	25	15.103.200	45.861.370	604.128	1.834.455
Passenger services	286	25	3.432.169	10.421.894	137.287	416.876
Bunkering	0	15	0	0	0	0
TOTAL					1.371.449	4.164.452

Public tendering in case of major contract changes

Under this measure it is expected that both the public sector and the business will anticipate the costs for part of the tendering procedures.

For the aim of the analysis it is assumed that 1 out of 20 service contracts will need to be retendered before the end of the contract; furthermore it is assumed that the retendering will take place on average after 50% of time duration is elapsed.

Under this assumption the administrative costs will increase by 2.5% of the cost for tendering assumed under measure 2.

Confinement for internal operators of port services

No administrative costs are expected under this measure.

Rules on the price of port services provided in monopolistic position

Table 17 provides an estimation of the number of contracts with exclusive and special rights awarded to private operators or carried out internally by the port manager or other public entity.

The process for defining and reviewing the tariffs involves administrative costs to both the public and the private sector (see par. 1.1).

Assuming that the service tariffs are reviewed every two years, table 16 provides for an estimation of the annual average cost and the one off costs to be incurred by the parties. Furthermore it is assumed that one off administrative cost will be incurred in the first year of application of new rules for the implementation of the new practice.

Table 17 – Estimation of the one off and recurrent annual cost to be incurred for service tariff setting and or reviewing

Port service	Assumption: number of contracts with exclusive or special rights			Recurrent average cost (Euro / year)		One off cost (Euro)	
	Provided in house	Provided by other public entity	Provided by other operator	Public	Business	Public	Business
Pilotage inside port area	73	73	201	650.024	633.196	650.024	633.196
Pilotage outside port area	49	118	199	706.816	653.091	706.816	653.091
Towage inside port area	37	2	277	452.158	685.521	452.158	685.521
Towage outside port area	18	0	331	461.545	785.925	461.545	785.925
Mooring	37	8	37	172.650	139.508	172.650	139.508
Dredging inside port area				N/A	N/A	N/A	N/A

Provision of waste reception facilities	80	19	352	711.149	929.711	711.149	929.711
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Cargo handling ship-shore/stevedoring	28	14	2124	2.768.973	4.966.634	2.768.973	4.966.634
Cargo handling shore-inland transport	15	10	2309	2.954.893	5.376.958	2.954.893	5.376.958
Passenger services	75	14	517	888.279	1.298.409	888.279	1.298.409
Bunkering	2	5	107	153.504	256.082	153.504	256.082
TOTAL				9.919.992	15.725.033	9.919.992	15.725.033

Rules on the price of port services awarded directly to operators in monopolistic position

Table 17 provides an estimation of the number of services with exclusive and special rights carried out internally by the port manager or other public entity.

The process for defining and reviewing the tariffs involves administrative costs to both the public and the private sector (see par.1.1).

Assuming that the service tariffs are reviewed every two years, table 18 provides for an estimation of the annual average cost and the one off cost to be incurred by the parties. Furthermore it is assumed that one off administrative costs will be incurred in the first year of application of new rules for the implementation of the new practice.

Table 18 – Estimation of the one off and recurrent annual cost to be incurred for service tariff setting and or reviewing

Port service	Services provided internally or by other public entity	Recurrent average cost (Euro / year)		One off costs (Euro)	
		Public	Business	Public	Business
Pilotage inside port area	145	398.942	167.991	398.942	167.991
Pilotage outside port area	167	458.542	193.088	458.542	193.088
Towage inside port area	39	106.333	44.776	106.333	44.776
Towage outside port area	18	48.352	20.361	48.352	20.361

Mooring	46	125.988	53.052	125.988	53.052
Dredging inside port area		N/A	N/A	N/A	N/A
Provision of waste reception facilities	99	270.939	114.090	270.939	114.090
Cargo handling ship-shore/stevedoring	42	114.353	48.153	114.353	48.153
Cargo handling shore-land transport	25	68.357	28.785	68.357	28.785
Passenger services	88	242.644	102.175	242.644	102.175
Bunkering	7	19.788	8.332	19.788	8.332
TOTAL		1.854.237	780.802	1.854.237	780.802

Central Port Coordination

The unit cost per port to the public sector is expected to be 14,000 Euro / year. The unit cost per port to the private businesses is estimated to be 7,720 Euro / year.

Table 19 – Estimation of the recurrent yearly costs for central port coordination

	N. of ports	Cost to the Public sector (Euro)	Cost to the Businesses (Euro)
Central port coordination	319	4.466.000	2.462.680

Port users' committee

The unit cost of a port committee to the public sector is assumed to be 5,000 Euro per year. The cost to the businesses is estimated to be 15,440 Euro per year.

Table 20 – Estimation of the recurrent yearly costs for port users' committee

	N. of ports	Cost to the Public sector (Euro)	Cost to the Businesses (Euro)
Port users' committee	319	797.500	4.925.360

Functional separation

Table 21 provides an estimation of the number of services which are carried out internally by the port managing bodies. Under this measure, these activities are supposed to be legally separated by the port managing body.

All the costs will be incurred by the port managing body and the newly created legally separated entities which would be under the economic control of the port managing body.

The recurrent cost to the public sector is assumed to be 50,954 Euro per occurrence; the one off cost is assumed to be 215,000 Euro.

Table 21 – Estimation of the one off and recurrent annual cost to be incurred for functional separation of in house activities

Port service	Provided in house	Recurrent average cost (Euro / year)		One off cost (Euro)	
		Public sector	Businesses	Public sector	Businesses
Pilotage inside port area	73	3.695.944	0	15.595.006	0
Pilotage outside port area	49	2.498.880	0	10.544.004	0
Towage inside port area	37	1.871.710	0	7.897.667	0
Towage outside port area	18	895.908	0	3.780.276	0
Mooring	37	1.902.102	0	8.025.904	0
Dredging inside port area	146	7.423.235	0	31.322.283	0
Provision of waste reception facilities	80	4.058.844	0	17.126.260	0
Cargo handling ship-shore/stevedoring	28	1.412.542	0	5.960.211	0
Cargo handling shore-inland transport	15	738.833	0	3.117.500	0
Passenger services	75	3.804.204	0	16.051.809	0
Bunkering	2	122.213	0	515.677	0
TOTAL		28.424.415	0	119.936.595	0

Separation of accounts

The one off unit cost to the public sector for separation of accounts is assumed to be 75,000 Euro. It is assumed that the large majority of ports will be required to comply with the new accounting provisions (i.e. 300 out of 319 ports). The businesses will not incur in any cost.

Table 22 – Estimation of the one off cost for separation of accounts

	N. of ports	Cost to the Public sector (Euro)	Cost to the Businesses (Euro)
Separation of accounts	300	22.500.000	0

Financial transparency between public and port authorities

The unit cost to the public sector per port is expected to be 2,500 Euro / year. The businesses will not incur in any cost. As for measure 12, 300 ports are assumed to be required to comply with the new provisions.

Table 23 – Estimation of the recurrent yearly costs for financial transparency

	N. of ports	Cost to the Public sector (Euro / year)	Cost to the Businesses (Euro / year)
Financial transparency	300	750.000	0

Freedom for individual ports to set dues

The unit cost to the public sector per port is expected to be 1,250 Euro / year. The businesses will not incur in any cost. All ports are assumed to be covered by the new provisions.

Table 24 – Estimation of the recurrent yearly costs for freedom to set port dues

	N. of ports	Cost to the Public sector (Euro / year)	Cost to the Businesses (Euro / year)
Freedom to set port dues	319	398.750	0

Cost-based and differentiated dues

The unit cost to the public sector per port is expected to be 15,000 Euro every 5 year. The businesses will not incur in any cost. All ports are assumed to be covered by the new provisions.

Table 25 – Estimation of the recurrent yearly costs for port dues definition according to cost based rules

	N. of ports	Cost to the Public sector (Euro / year)	Cost to the Businesses (Euro / year)
Cost-based and differentiated dues	319	957.000	0

Enabling variations based on environmental performance

This measure does not involve additional administrative costs if implemented in conjunction with measure 14 or 15.

Summary of administrative costs under the baseline scenario

Table 26 provides a comparison of the recurrent administrative costs incurred by the public sector and the businesses under the baseline scenario and the different policy scenarios.

Table 26 – Estimation of the administrative costs by measure

Measure	Recurrent (Euro / year)		One off (Euro)	
	Public sector	Businesses	Public sector	Businesses
1. Freedom to provide service for "normal services" - no public tendering	-743.671	-	0	0
1variant. As for M1, but excluding handling operations	-647.033	-	0	0
		1.964.737		
2. Public tendering for service contracts with a PSO or space constraints > 5 M€	345.337	1.048.629	0	0
2variant. As for M2, but excluding handling operations	104.712	317.962	0	0
3. Communication from the Commission on how existing Treaty rules apply in the case of port services	322.647	979.728	0	0
4. Obligation to have at least 2 operators in case of space constraints - public tendering	1.371.449	4.164.452	0	0
5. Public tendering in case of major contract changes	40.331	122.466	0	0
5variant. As for M5, but excluding handling operations	19.543	59.344	0	0
6. Confinement of internal (public) providers of port services	0	0	0	0
7. Rules on the price of port services provided by operators in monopolistic position	7.498.608	12.767.254	9.919.992	15.725.033
8. Rules on the price of port services awarded directly to operators in monopolistic position	1.854.237	780.802	1.854.237	780.802
9. Central Port Coordination	1.276.000	0	0	0
10. Port users committee	397.500	2.454.960	0	0
11. Functional separation	28.424.415	0	119.936.595	0
12. Separation of accounts	0	0	22.500.000	0
13. Financial transparency between public and port authorities	750.000	0	0	0
14. Freedom for individual ports to set dues	398.750	0	0	0
15. Cost-based and differentiated dues	186.083	0	0	0
16. Enabling variations based on environmental performance	0	0	0	0
17. Transparency of port due calculation	0	0	0	0
TOTAL	41.598.910	18.472.680	154.210.825	16.505.836

Different policy packages consider different measures which results in different administrative costs to be incurred.

Table 27 and 28 present the estimations of the additional administrative costs (both recurrent and one-off) to be incurred respectively by the public sector and the businesses. These costs incorporate also the costs that would be incurred in case of no action by the EU.

Table 27 – Estimation of the administrative costs to be incurred under different PPs against the baseline scenario - Recurrent administrative costs (Euro/year)

Measure	PP1		PP2		PP2a		PP3		PP2a variant	
	Public sector	Businesses								
1. Freedom to provide service for "normal services" - no public tendering	0	0	-743.671	-2.258181	-743.671	-2.258181	-743.671	-2.258181	-647.033	-1.964737
2. Public tendering for service contracts with a PSO or space constraints > 5 M€	0	0	345.337	1.048629	345.337	1.048629	345.337	1.048629	104.712	317.962
3. Communication from the Commission on how existing Treaty rules apply in the case of port services	322.647	979.728	0	0	0	0	0	0	0	0
4. Obligation to have at least 2 operators in case of space constraints - public tendering	0	0	0	0	0	0	1.371449	4.164452	0	0
5. Public tendering in case of major contract changes	0	0	0	0	40.331	122.466	40.331	122.466	19.543	59.344
6. Confinement of internal (public) providers of port services	0	0	0	0	0	0	0	0	0	0
7. Rules on the price of port services provided by operators in monopolistic position	7.498608	12.767254	7.498608	12.767254	0	0	0	0	0	0
8. Rules on the price of port services awarded directly to operators in monopolistic position	0	0	0	0	1.854237	780.802	1.854237	780.802	1.854237	780.802
9. Central Port Coordination	0	0	0	0	0	0	1.276000	0	0	0
10. Port users committee	397.500	2.454960	397.500	2.454960	397.500	2.454960	0	0	397.500	2.454960
11. Functional separation	0	0	0	0	0	0	28.424415	0	0	0
12. Separation of accounts	0	0	0	0	0	0	0	0	0	0
13. Financial transparency between public and port authorities	750.000	0	0	0	0	0	0	0	0	0
14. Freedom for individual ports to set dues	0	0	0	0	398.750	0	398.750	0	398.750	0
15. Cost-based and differentiated dues	0	0	186.083	0	0	0	0	0	0	0
16. Enabling variations based on environmental performance	0	0	0	0	0	0	0	0	0	0
17. Transparency of port due calculation	0	0	0	0	0	0	0	0	0	0
TOTAL	8.968755	16.201943	7.683858	14.012662	2.292485	2.148677	32.966850	3.858168	2.127710	1.648332

Expected one off costs for PP2a and PP2a variant are the same.

Table 28 – Estimation of the administrative costs to be incurred under different PPs against the baseline scenario – One off administrative costs (Euro)

Measure	PP1		PP2		PP2a / PP2a variant		PP3	
	Public sector	Businesses	Public sector	Businesses	Public sector	Businesses	Public sector	Businesses
1. Freedom to provide service for "normal services" - no public tendering	0	0	0	0	0	0	0	0
2. Public tendering for service contracts with a PSO or space constraints > 5 M€	0	0	0	0	0	0	0	0
3. Communication from the Commission on how existing Treaty rules apply in the case of port services	0	0	0	0	0	0	0	0
4. Obligation to have at least 2 operators in case of space constraints - public tendering	0	0	0	0	0	0	0	0
5. Public tendering in case of major contract changes	0	0	0	0	0	0	0	0
6. Confinement of internal (public) providers of port services	0	0	0	0	0	0	0	0
7. Rules on the price of port services provided by operators in monopolistic position	9.919.992	15.725.033	9.919.992	15.725.033	0	0	0	0
8. Rules on the price of port services awarded directly to operators in monopolistic position	0	0	0	0	1.854.237	780.802	1.854.237	780.802
9. Central Port Coordination	0	0	0	0	0	0	0	0
10. Port users committee	0	0	0	0	0	0	0	0
11. Functional separation	0	0	0	0	0	0	119.936.595	0
12. Separation of accounts	0	0	22.500.000	0	22.500.000	0	0	0
13. Financial transparency between public and port authorities	0	0	0	0	0	0	0	0
14. Freedom for individual ports to set dues	0	0	0	0	0	0	0	0
15. Cost-based and differentiated dues	0	0	0	0	0	0	0	0
16. Enabling variations based on environmental performance	0	0	0	0	0	0	0	0
17. Transparency of port due calculation	0	0	0	0	0	0	0	0
TOTAL	9.919.992	15.725.033	32.419.992	15.725.033	24.354.237	780.802	121.790.832	780.802

ANNEX X:

Labour issues in EU ports

(Excerpts from the Study on Port Labour in the EU, Prof Dr Eric Van Hooydonk, 2013)

(Excerpts from the OECD Study Ports and Regional Development: A European Perspective, 2013)

1. Job categories and employment figures in EU ports

Dock workers

1. In the narrow sense, port labour can be considered narrowly as the loading or unloading of ships, or broadly, as all forms of cargo handling in a port zone, including the stuffing and stripping of containers, the loading and unloading of inland waterway vessels, lorries and railway wagons, the storage and semi-industrial processing of goods in warehouses and logistics areas, *etc.* In ports where port labour is governed by specific regulations or agreements, employee organisations traditionally try to extend the notion as widely as possible, while employers' organisations aim to restrict it.

Number of port employers and port workers in the EU by Member State, 2012

Member State	Number of employers	Number of port workers
Belgium	Between 50 and 190	10,300
Bulgaria	54	4,000
Cyprus	58	342
Denmark	100	Between 2,000 and 5,600
Estonia	17	950
Finland	40	2,750
France	100	4,370
Germany	Between 150 and 300	15,000
Greece	30	2,500
Ireland	20	677
Italy	Between 214 and 400	Between 11,615 and 18,000
Latvia	58	1,500
Lithuania	15	2,000
Malta	8	1,100
Netherlands	Between 85 and 105	7,275
Poland	423	6,000
Portugal	21	796
Romania	35	4,187
Slovenia	42	Between 758 and 902
Spain	159	6,500
Sweden	72	Between 3,000 and 4,000
United Kingdom	Between 150 and 195	18,000
Total EU	1,901-2,442	105,620-116,749

2. The term port worker is generally used to designate blue collar workers engaged in the handling of goods at docks, quays, wharves or warehouses in ports.

It is a generic term which includes:

- general workers (operatives) working on board ship as well as those on land, and
- specialised workers such as operators (or drivers) of various types of machinery (also called winchmen); signalmen (hatchmen, hatch tenders or deck hands); lashers; tallymen (also called tally clerks or checkers); (gang) foremen, chief tallymen and chief foremen (supervisors).

In the seaports of the 22 maritime Member States of the European Union, some 2,200 port operators currently employ around 110,000 port workers or 'dockers' who are engaged in the loading and unloading of ships and a number of ancillary port-based services such as warehousing and logistics.

White collar port workers

2. In a more broad sense, since port labour is by definition carried out within a 'port' or a 'port area', the definition of port labour has an important geographical dimension. In some ports, all workers in the port area, including office staff involved in administration, sales, marketing, information technology, legal matters, etc. (white collar employees) are considered as being "port workers".

Those workers work for a broad range of companies established in the port for providing shipping ancillary services, cargo-related services or logistic related services. The employment generated by those port activities would total some 284,000 and 300,000 jobs in the 22 maritime EU Member States (Ecotec study⁶, 2006).

Workers in industries located in ports

3. In the broadest sense, the concept covers all workers employed in companies established in the port but not necessarily belonging to the "transport sector". Many European ports are industrial and logistic centres gathering a broad range of industries, including petro-chemical, automotive, steel, energy production and distribution, paper mills, food production companies, firms producing building materials, etc.

According to the European Sea Ports Organisation, the European port sector would represent more than 10 million jobs in total.

2. Port activity as job generator

The economic significance of ports is defined in terms of added value, employment, business establishments, business dynamics and private investments.

Academic research shows that improvement in port performance generates new jobs and attracts industrial and commercial firms to the port, creating higher added value and indirect jobs. Port throughput is positively correlated to employment in port regions.

For example, OECD studies (2012) indicate that an increase of one million tons of port throughput is associated with an increase in employment in the port region of 0.0003%. This means that in a region with one million employees, employment would increase by 300 units; in the long run this increase would be 7500 units⁷. The figures for indirect and induced port-related employment would be higher, depending on the multipliers of each

⁶ http://ec.europa.eu/maritimeaffairs/documentation/studies/documents/summary_report_en.pdf

⁷ See OECD (2012) Report "Ports and Regional Development: a European Perspective"
<http://dx.doi.org/10.1787/5k92z71jsrs6-en>

individual port region (in the case of e.g. Hamburg, the multiplier is 1.71, for Rotterdam is 1.13 and for Le Havre / Rouen has been estimated at 1.57)⁸.

This impact is slightly larger on industry than on service employment. These conclusions are based on an evaluation of the impact of port activity on regional employment in a sample of 560 regions in 10 European countries, 100 of which home to one or more port, from 2000-06.

Liquid bulk has lower employment impacts than the other cargo categories (dry bulk, containers, general cargo). If liquid bulk is not included in port throughput numbers, the employment impact in the region doubles: an increase of one million tonnes port throughput is then associated with a regional employment increase of 600 units. This finding confirms the fact that only a few jobs are needed to handle liquid bulk, due to loading and unloading of a large part of this bulk by pipelines.

The number of passengers in a port is not correlated to employment in port regions. It has a positive but not statistically significant effect on regional employment. This is probably due to the fact that ferry industries handle large numbers of transit passengers.

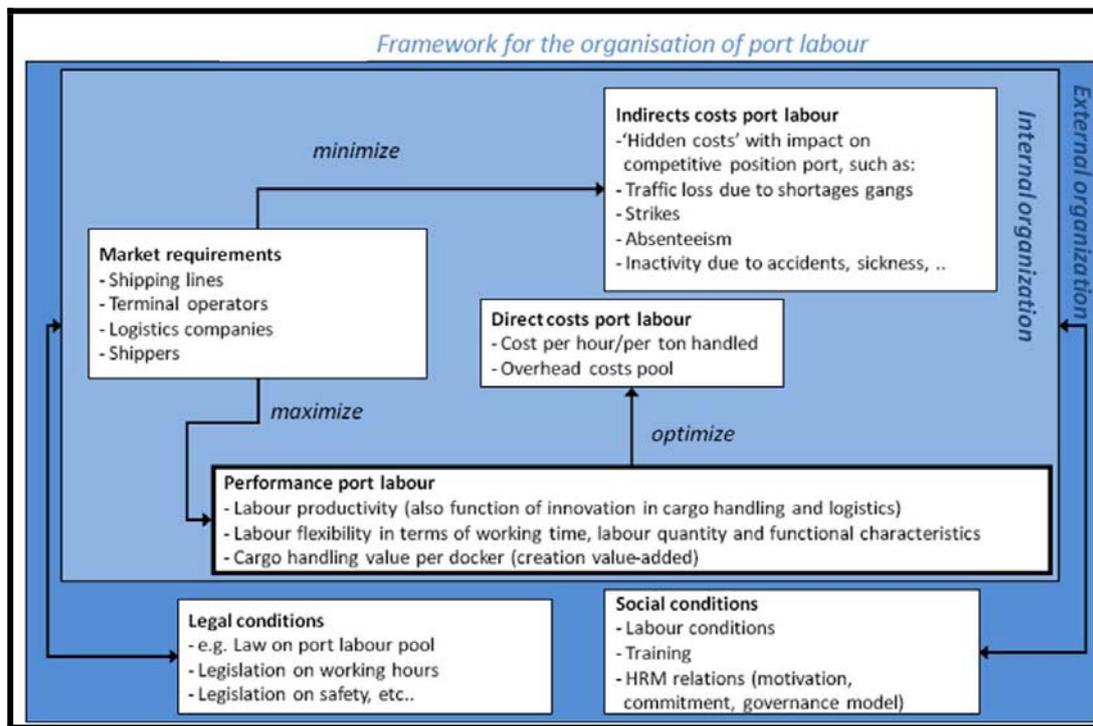
Private ports have the largest employment impacts in regions. Their impact per one million additional tonnes of port throughput is 1000 jobs; this is 550 for European ports with the "Latin" governance model and 170 for "Hanseatic" ports. This is rationalised to some extent by the fact that some of these private ports are located close to the main UK cities or are functional to some local industries; therefore the results might be influenced by local situations rather than caused by its governance structure

3. Labour and cargo-handling

It is widely accepted that both the day-to-day efficiency and the medium and long-term dynamics of port competition are strongly influenced by the regime of port labour. Depending on the type of terminal, port labour represents between 15 and 75 per cent of the operational terminal costs for terminal operators (15 to 20 per cent at dry bulk terminals; between 40 and 75 per cent at general cargo terminals).

Even in the capital intensive container sector this percentage is believed to reach 50 or even 70 per cent, which explains that the labour factor also determines, for example, investment decisions on terminal lay-out and equipment. Research (Notteboom et al, 2010) confirms that labour arrangements can have a tremendous impact on the proper functioning of ports and on trade flows.

⁸ See OECD (2012) papers on "The Competitiveness of Global Port Cities"



Source: ITMMA 2010 – Dock Labour and port related employment in the EU Seaport System

4. Sector specific labour rules for Dockers

Traditionally, port work has been regarded as a low-skilled manual profession. In order to cope with the irregularity of port traffic and the ensuing fluctuations in labour demand, the port labour market has in many places been subject to specific laws, regulations and collective agreements.

In most cases, these rules entail the reservation of temporary labour for a steadily available complement ('pool') of registered workers who enjoy unemployment benefit or similar pay when no work is available.

Even if these arrangements take on very different shapes, in 16 out of 22 Member States (i.e. 73 per cent) access to the port labour market is restricted under rules which depart from general labour law.

In a considerable number of ports, the specific employment rules are characterised by restrictions on employment (including priority for registered workers or recognised workforce suppliers, closed shop situations, strict job demarcations, mandatory manning scales, restrictions on temporary agency work and on self-handling) and restrictive working practices.

These restrictions impact negatively on trade, competition and/or employment. However, the problems do not occur in every Member State or with the same intensity in all ports. Several States have reformed port labour, while some ports are completely restriction-free. Moreover, not every registration or pool system is per se inefficient, and not every restriction goes per se against EU law.

However, in many cases serious doubts about the compatibility of the national or local port labour regime with EU law are warranted in the light of available EU and national case law on internal market and competition rules.

In sum, restrictive pool or registration systems can only be justified under EU rules if the general interest and especially the social protection of workers demonstrably require such an exceptional labour market set-up, if the system is non-discriminatory and fully compatible with human rights, if restrictions on access to the market for the provision of workforce are proportionate and do not go beyond what is necessary in order to attain the public interest objective concerned, and, more specifically, if the system is kept free of any additional restrictions on employment, restrictive working practices and abuses.

Vague references to social protection or safety objectives which do not explain why applicable restrictions are indeed necessary will not suffice. EU law allows Member States and social partners to choose between a free and open port labour market or an efficient and sustainable registration or pool system which is not affected by restrictive excesses, either in the law or in practice.

5. Training, Health and Safety in ports

Qualification and training arrangements are very diverse across the EU. A growing number of ports and terminals organise sophisticated training programmes but elsewhere workers are still poorly trained. In a large number of Member States, certification systems for port workers are in place, even if these are not always fully operational. A number of recent best practices are available.

A majority of States have enacted specific laws and regulations on health and safety in port work. Despite signs of considerable improvement in the past decades, scattered data suggest that the port worker continues to have one of the most dangerous occupations in the entire EU economy. However, specific national accident statistics on port labour are only available in a minority of Member States.

6. Prospects

Seen from an EU perspective, the port labour market can be described as a market in transition, with a trend towards the application of general labour law rather than specific laws and regulations. Opinions on the need to maintain specific laws and regulations for port labour diverge widely.

The current economic and financial crisis notwithstanding, expectations are that the coming decades will see further growth in trade and port throughput, together with a far-reaching innovation in handling technologies and a growing demand for well-trained and versatile port workers.

The port industry will continue to function as one of the European Union's most powerful prosperity and job generators. A summary of the employment impact of ports is presented below, based on the Dutch ports example during 2002 – 2007.

<i>Summary of the employment impact of Dutch ports</i>							
	2002	2003	2004	2005	2006	2007	Growth 2007/2002
Direct employment Northern Seaports	8832	8658	8453	8337	8678	7677	-13.1%
Direct employment North Sea Canal Area	34737	33525	32363	32546	33293	35430	2.0%
Direct employment Rhine- and Maasmond	107066	105458	103406	103765	105518	108313	1.2%
Direct employment Scheldt Basin	15734	15386	14993	15066	15377	15913	1.1%
Total direct employment Dutch ports	166369	163027	159215	159714	162866	167333	0.6%
Total indirect employment Dutch ports	105490	103464	104229	105401	111403	119027	12.8%
<i>Cargo throughput (in million tons)</i>	435.2	437.2	471.7	492.6	513.3	540.3	24.2%
Direct employment per sector	2002	2003	2004	2005	2006	2007	Growth 2007/2002
Transport	45951	47370	44133	45798	46771	51796	12.7%
Services for transport	16139	14658	15065	14886	15514	15698	-2.7%
Handling and storage	14688	14205	14079	14799	14805	14865	1.2%
Industry	65259	62592	61406	59564	60136	58390	-10.5%
Wholesale	14242	13689	13982	14219	14562	14818	4.0%
Public and private services	10090	10513	10550	10448	11078	11765	16.6%
Total direct employment Dutch ports	166369	163027	159215	159714	162866	167332	0.6%

Source: ITMMA 2010 – Dock Labour and port related employment in the EU Seaport System

Synopsis of port labour regimes in the EU (source: Van Hooydonk, 2013)

SYNOPSIS OF PORT LABOUR IN EU MEMBER STATES														
	Prevailing port management model	Seaborne cargo in 2011 in million tonnes	No. of employers of port workers	No. of port workers	Party to ILO C137	Party to ILO C152	Lex specialis on employment	Level of port labour-specific CBAs	Registration of port workers	Priority for pool workers	Restrictions on temporary agency work	National qualification system	Lex specialis on OHS	Availability of specific national OHS statistics
BE	Landlord	265	50-190	1,300	No	No	Yes	National, port	Yes	Yes	Yes	Yes	Yes	Yes
BG	Landlord	26	54	4,000	No	No	Yes	National, company	Yes	No	Yes	Yes	Yes	No
CY	Tool	7	58	342	No	Yes	Yes	National	Yes	Yes	Yes	No	Yes	Yes
DK	Landlord	92	100	2,000-5,600	No	Yes	No	National, port	No	Yes	Yes	Yes	Yes	No
EE	Landlord	47	17	950	No	No	No	None	No	No	No	Yes	No	Yes

	Prevailing port management model	Seaborne cargo in 2011 in million tonnes	No. of employers of port workers	No. of port workers	Party to ILO C137	Party to ILO C152	Lex specialis on employment	Level of port labour-specific CBAs	Registration of port workers	Priority for pool workers	Restrictions on temporary agency work	National qualification system	Lex specialis on OHS	Availability of specific national OHS statistics
FI	Mixed	110	40	2,750	Yes	Yes	No	National, company	Yes	No	Yes	No	Yes	Yes
FR	Landlord	354	100	4,370	Yes	Yes	Yes	National, port, company	Yes	Yes	Yes	Yes	No	Yes
DE	Landlord	296	150-300	15,000	No	Yes	Yes	National, port, company	Yes	Yes	Yes	Yes	Yes	Yes
EL	Mixed	124	30	2,500	No	No	Yes	Company	Yes	Yes	Yes	No	No	No
IE	Mixed	45	20	677	No	No	No	Company	No	No	No	No	Yes	Yes
IT	Landlord	478	214-400	11,615-18,000	Yes	Yes	Yes	National, company	Yes	Yes	Yes	No	Yes	No

LV	Landlord	69	58	1,500	No	No	Party to ILO C137	No	Party to ILO C152	No	Lex specialis on employment	Level of port labour-specific CBAs	Registration of port workers	Priority for pool workers	Restrictions on temporary agency work	National qualification system	Lex specialis on OHS	Availability of specific national OHS statistics
	Prevaling port management model	Seaborne cargo in 2011 in million tonnes	No. of employers of port workers	No. of port workers	Party to ILO C137	Party to ILO C152	Lex specialis on employment	Level of port labour-specific CBAs	Registration of port workers	Priority for pool workers	Restrictions on temporary agency work	National qualification system	Lex specialis on OHS	Availability of specific national OHS statistics				
LT	Landlord	45	15	2,000	No	No	No	Company	No	No	No	Company	No	No	No	No	Yes	No
MT	Landlord	32	8	1,100	No	No	Yes	National, company	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No
NL	Landlord	538	85-105	7,275	Nor	Yes	No	Company	No	Yes	Yes	No	No	No	No	No	No	No
PL	Landlord	65	423	6,000	Yes	No	No	Company	Yes	No	No	No	No	No	No	No	No	No
PT	Landlord	67	21	796	Yes	No	Yes)	Port	Yes	Yes	Yes	No	No	No	No	No	No	No

RO	Landlord	40	35	4,187	Yes	Party to ILO C137	Yes	Party to ILO C152	No	Yes	Lex specialis on employment	Level of port labour-specific CBAs	Registration of port workers	Priority for pool workers	Restrictions on temporary agency work	National qualification system	Lex specialis on OHS	Availability of specific national OHS statistics	No
SI	Service	17	42	758-902	No	No	No	No	No	No	No	Company	No	No	No	No	No	Yes	No
ES	Landlord	476	159	6,500	Yes	Yes	Yes	Yes	Yes	Yes	Yes	National, port	Yes	Yes	Yes	Yes	No	No	No
SE	Mixed	145	72	3,000-4,000	Yes	Yes	Yes	Yes	No	No	No	National, company	No	NO	Yes	No	Yes	Yes	Yes
UK	Mixed	519	150-195	18,000	No	No	No	No	No	No	No	Company	No	No	No	Yes	No	No	No

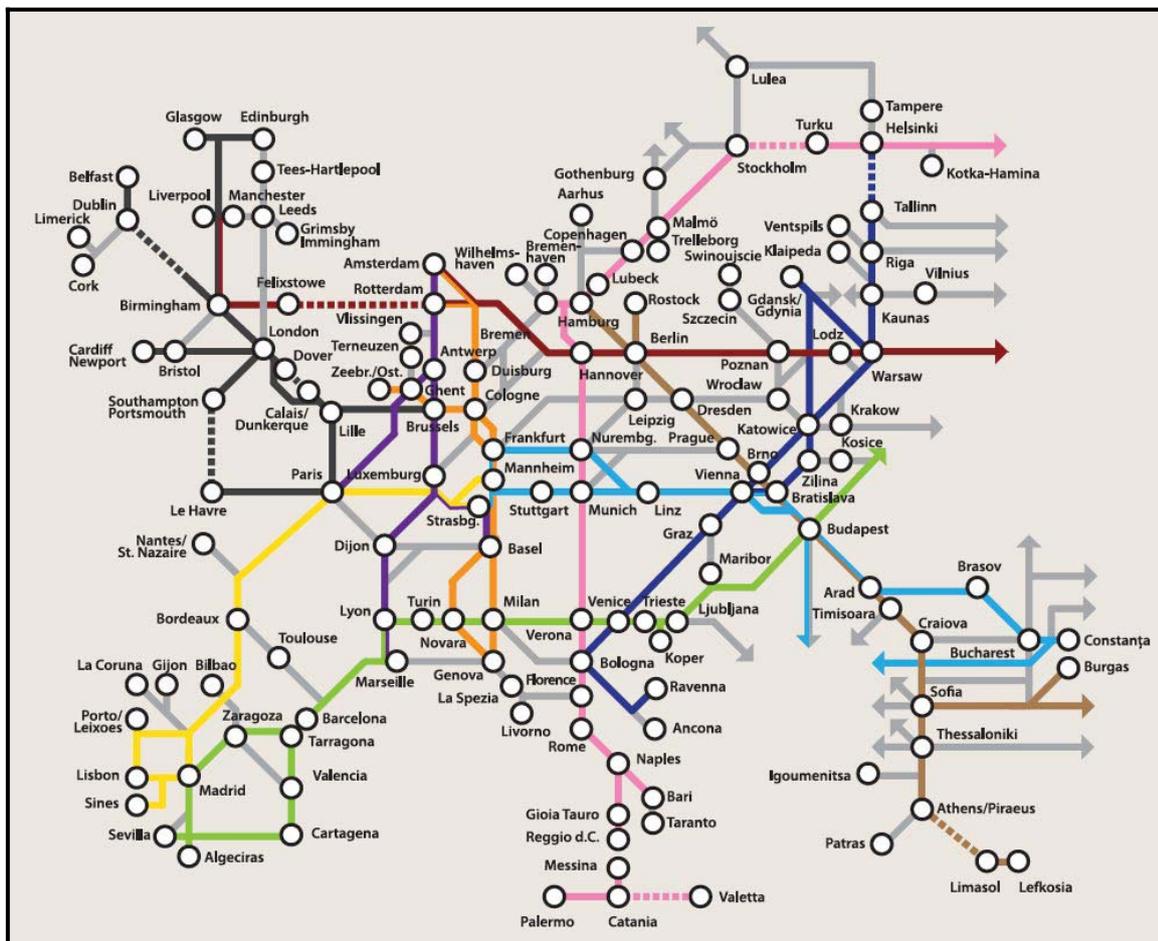
ANNEX XI:

Ports in the new TEN-T Strategy

1. New TEN-T proposal – a multimodal corridor concept

The basic aim of the Trans-European Networks Policy is to remove the bottlenecks, upgrade infrastructure and streamline cross border transport operations for passengers and businesses throughout the EU. Its realization will contribute to improving connections between different modes of transport and to realize the EU's climate change objectives.

On 19th of October 2011 the Commission adopted⁹ a new proposal for the development of the Trans-European Transport Network (TEN-T). The aim of the new proposal is to transform the existing patchwork of European roads, railways, airports and canals into a unified transport network (TEN-T). The new policy concentrates on a much smaller and more tightly defined transport network for Europe.



The aim is to focus spending on a smaller number of projects where real EU added value can be realised. The new policy followed by a two-year consultation process assumes that the TEN-T will be developed gradually by implementing a dual-layer approach. It means that two

⁹ For a detailed presentation of the TEN-T & Connecting Europe, see <http://ec.europa.eu/transport>

layers of the TEN-T are established: a **core network** and a **comprehensive network**. Both layers include all transport modes: road, rail, inland waterways, air and maritime transport, as well as intermodal platforms.

The comprehensive network constitutes the basic layer of the TEN-T. It consists of all existing and planned infrastructure of the TEN-T. The complete comprehensive network is planned to be in place by 31 December 2050 at the latest. It will ensure full coverage of the EU and accessibility of all regions in the Union, including remote and the outermost regions.

The core network overlays the comprehensive network and consists of the strategically most important parts of the TEN-T. It constitutes the backbone of the development of a multimodal transport network. It concentrates on those components of the TEN-T with the highest European added value: cross border missing links, key bottlenecks and multimodal nodes. The core network is planned to be completed by 31 December 2030 at the latest.

The core network design process included two steps:

- In the first step main nodes were identified: urban main nodes, comprising all Member States' capitals and all other large urban areas or conurbations, including the ports and airports directly belonging to the urban node. Outside these urban main nodes, ports which exceed a certain volume threshold or fulfil certain geographical criteria. The most relevant border crossing points: one per mode between each Member State and each neighbouring country.
- The second step involved connecting these main nodes via multimodal links (road, rail, inland waterway). Some links already exist while in some cases the problems are bottlenecks or lack of links.

2. The TEN-T "core network"

The future **core network** proposed by the EC will comprise of 83 main European ports with rail and road links, 37 key airports with rail connections into major cities, 15,000 km of railway line upgraded to high speed, 35 cross border projects to reduce bottlenecks. Rail, road and inland waterway connections between these nodes will carry traffic flows of the highest strategic importance.

In order to facilitate the implementation of the core network, the 'corridor approach' will be used. This instrument will help to coordinate and synchronise different projects on a transnational basis. Within the core network, 10 corridors have been established. Core network corridors shall involve at least three transport modes and at least three Member States. Each Member State participates in at least one corridor. They cover the most important cross-border long-distance flows in the core network. In duly justified cases the core network corridor may involve only two transport modes.

If possible, core network corridors should be connected with a maritime port. Core network corridors should facilitate modal integration and interoperability and lead to coordinated development and management of infrastructure. Multimodal infrastructure within core network corridors shall be built and coordinated, wherever needed, in a way that optimises the use of each transport mode and their cooperation. The core network corridors shall support the comprehensive deployment of interoperable traffic management systems.

European Coordinators will chair the corridor platforms. The European Coordinator will be designated by the Commission, after consultation with the Member States concerned and the European Parliament. The European Coordinator will lead the coordinated implementation of the core network corridor.

3. Connecting Europe Facility: the EC's instrument to finance the TEN-T

The 'Connecting Europe Facility' (CEF) is a financing tool for investing in transport, energy and ICT infrastructure proposed by the European Commission for the budgetary period 2014-2020. For the first time, the Commission is proposing a single funding instrument for the three network sectors. The 'Connecting Europe Facility' is to finance projects which fill the missing links in Europe's energy, transport and digital backbone.

The total budget of the Connecting Europe Facility is EUR 50 billion. EUR 31.7 billion is dedicated to the transport sector, the digital services sector will receive EUR 9.2 billion and the energy sector will receive EUR 9.1 billion. The funds allocated to the transport sector include EUR 10 billion from the Cohesion Fund, set aside for transport projects in cohesion countries; the remaining EUR 21.7 billion will be available to all Member States for transport infrastructure investments.

80% of the money allocated to the transport sector under the Connecting Europe Facility will be used to support two categories of projects: core network projects and horizontal projects. The remaining funding may be made available for 'ad hoc' projects, including projects on the comprehensive network. Core network projects include priority projects along the 10 multimodal corridors on the core network. Funding will also be available for some other projects of high European added value on the core network.

It will be up to Member States to submit detailed proposals of investment to the Commission and the precise level of EU funding will depend on the details of the national proposals. No road projects will be financed by the CEF budget with the exception of projects that create safe parking areas and road traffic management systems.

4. Core and comprehensive TEN-T Ports

In the new strategy for a European TEN-T core network, seaports constitute a strategic access point for multimodal networks. Together with other nodal points such as inland ports and airports, seaports are put in a central position of the Trans-European Transport Network. Seaports have a vital role to play within the TEN-T, by increasing the efficiency of the whole European transport system.

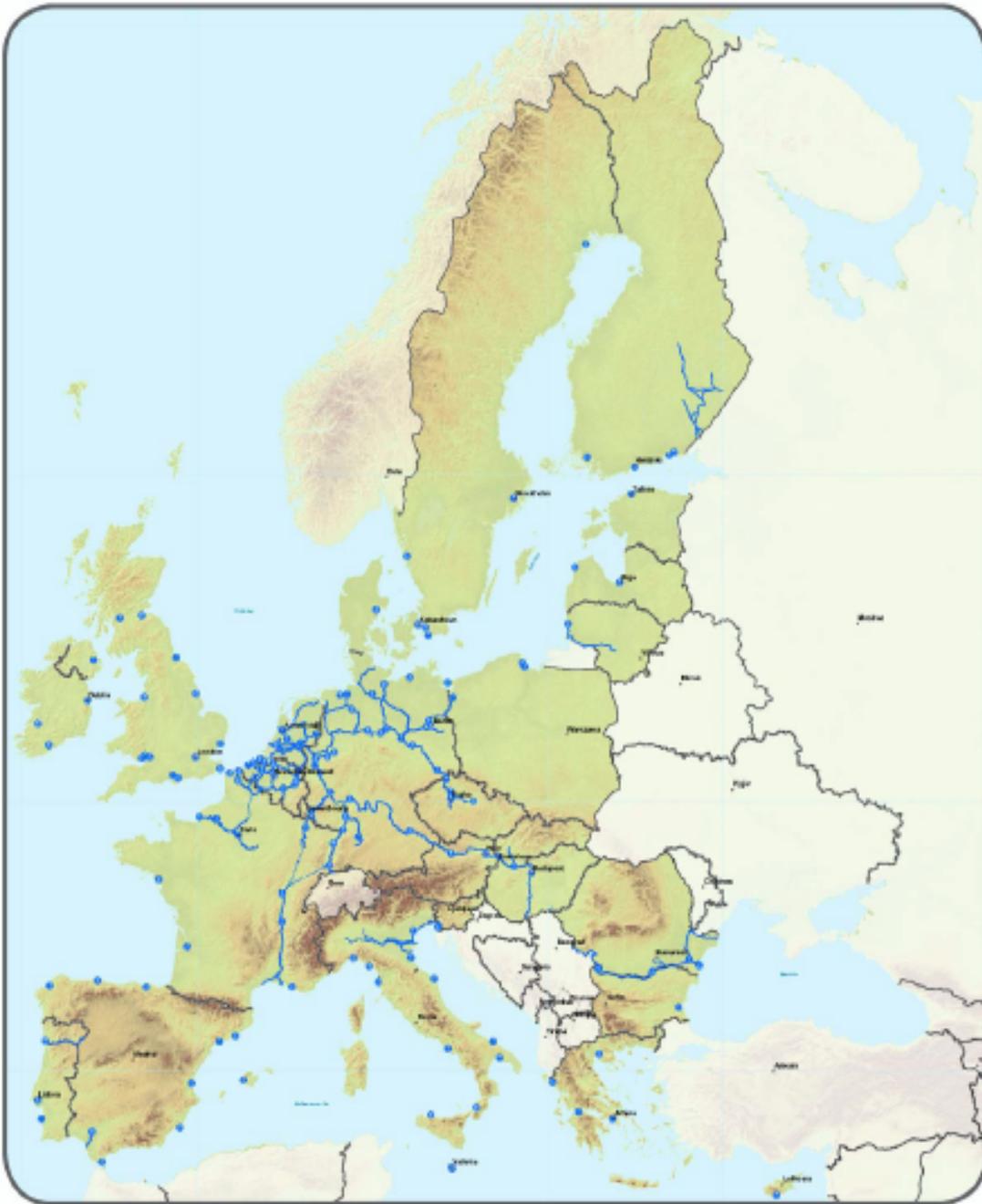
Seaports together with adequate infrastructure connections are vital for European industry and inland and external trade development. Furthermore, seaports' good connections with rail and road infrastructure can contribute to the elimination of bottlenecks along the main transport corridors.

Seaports as a connection point for the shipment of goods and passengers between land and maritime means of transport also play crucial a role in the development of intermodal transport, which is an essential component of a common policy on sustainable mobility.

In sum, the new strategy aims at the sustainable development of European seaports by promoting industry efficiency, the reduction of the negative impact on the environment and the integration of seaports within the entire chain of transports.

The current TEN-T proposal includes 83 ports in the core network and 236 ports in the comprehensive network (319 ports in total). Nearly all multimodal corridors feature connections with maritime ports.

Ports which are part of the comprehensive network shall meet at least one of the following criteria:



- The total annual passenger traffic volume exceeds 0.1% of the total annual passenger traffic volume of all maritime ports of the Union. The reference amount for this total

volume is the latest available three-year average, based on the statistics published by Eurostat.

- The total annual cargo throughput – either for bulk or for non-bulk cargo handling – exceeds 0.1% of EU total. The reference amount for this total volume is the latest available three-year average, based on the statistics published by Eurostat.
- The maritime port is located on an island and provides the sole point of access to a NUTS 3 region in the comprehensive network.
- The maritime port is located in an outermost region or a peripheral area, outside a radius of 200 km from the nearest other port in the comprehensive network.

As far as the **core network** is concerned, the following seaports should be included:

- a. Seaports belonging to a primary city node (e.g.: Lisbon, Naples, and Bordeaux).
- b. Other seaports with an annual throughput > 1% of the EU total.
- c. The largest seaport per each NUTS 1 region with access to the sea, for each continuous coastline.

The list of the 83 "core ports" (Annex II.2 of the Commission's proposal COM(2011)650 final/2 of 19.12.2011) is given in annex.

Seaports included in the comprehensive network should be connected by railway lines, road and if possible barge; they should offer at least one terminal open to all operators in a non-discriminatory way and have equipment to ensure environmental performance of ships in ports (in particular port reception facilities).

With respect to seaports, attention should be paid to three vital projects: promoting short sea shipping, including Motorways of the Sea, interconnection of seaports with inland waterways, implementation of VTMS and e-Maritime services.

5. TEN-T port statistics

The 83 seaports included into the TEN-T core network handle approximately 70% of the cargo passing through all EU seaports. The greatest number of core seaports (24) is concentrated within the Mediterranean Sea region.

These seaports account for 58.4% of the throughput of all seaports within the EU Mediterranean Sea region. Half of those ports are located along the coastline of Italy. This can be explained by taking into consideration the fact that Italian seaports handle the greatest volume of cargo within the Mediterranean Sea region (494.1 million tonnes) which accounts for about 48.3% of the total seaports' turnover in the region. Additionally, Italy has the largest number of seaports handling at least 1 million tonnes of cargo. Spain has also a large number of core seaports along its Mediterranean coast (7). The rest of the core seaports are located in Greece (4), France (1) and Slovenia (1).

Along the UK and Irish coast 17 seaports/group of seaports are included in the TEN-T core network (3 in Ireland and 14 in the UK). All of these seaports are responsible for 64% of the cargo handled in UK and Irish seaports.

In the North West Continent region (i.e. North Sea part of Germany, the Netherlands, Belgium, North Sea part of France) core seaports are distributed quite equally.

The table below shows the total seaports' throughput and of core seaports by EU region:¹⁰

Region	EU countries included	Total seaports throughput [mln tonnes]	Share in total EU ports throughput	Number of core seaports*	Share of core seaports in total throughput of the seaports in the region
North West continent region	North Sea part of Germany, the Netherlands, Belgium, North Sea part of France	1151.5	31.7%	13	89.7%
Mediterranean Sea region	Greece, Slovenia, Italy, Malta, Cyprus, Mediterranean parts of France and Spain	1023.9	28.2%	24	58.4%
Baltic Sea region	Baltic Sea part of Germany, Poland, Latvia, Lithuania, Estonia, Finland, Denmark, Sweden	629.4	17.3%	18	57.8%
UK & Ireland	UK and Ireland	557.0	15.3%	17	64.0%
Atlantic Ocean region	Atlantic parts of France and Spain, Portugal	208.3	5.8%	9	79.3%
Black Sea region	Bulgaria, Romania	61.0	1.7%	2	70.8%
Total	All	3631.1	100%	83	70.5%

* COM proposal Oct 2011 (Group of seaports under a single port authority are treated as one sea port)

Each country has 3 to 4 core seaports/group of seaports. All of these seaports together account for almost 90% of the total throughput of seaports in this region. Along the EU Atlantic coast, 9 seaports are included in the TEN-T core network (4 in Spain, 3 in Portugal, 2 in France). These ports handle approximately 79% of the cargo passing through EU Atlantic seaports.

¹⁰ Source: Baltic Ports Organization Secretariat (2012) in the context of the TransBaltic project. See: <http://www.transbaltic.eu/wp-content/uploads/2012/05/New-TEN-T-guidelines-proposal-implications-for-the-port-sector-in-the-Baltic-Sea-region.pdf>

List of nodes of the core network: Maritime ports
COM(2011)650 of 19.10.2011

BELGIUM	Valencia	PORTUGAL
Antwerpen	FRANCE	Leixões (Porto)
Gent	Bordeaux	Lisboa
Oostende, Zeebrugge	Calais, Dunkerque	Sines
BULGARIA	Le Havre	ROMANIA
Burgas	Marseille	Constanța
DENMARK	Nantes Saint-Nazaire	SLOVENIA
Århus	Rouen	Koper
Københavns Havn	ITALY	FINLAND
GERMANY	Ancona	Helsinki
Bremerhaven, Bremen	Bari	Kotka, Hamina
Hamburg	Genova	Turku
Lübeck	Gioia Tauro	SWEDEN
Rostock	La Spezia	Göteborg
Wilhelmshaven	Livorno	Luleå
ESTONIA	Napoli	Malmö
Tallinn	Palermo	Stockholm
IRELAND	Ravenna	Trelleborg
Cork	Taranto	UNITED KINGDOM
Dublin	Trieste	Belfast
Limerick	Venezia	Bristol
GREECE	CYPRUS	Cardiff, Newport
Igoumenitsa	Lemesos	Dover
Patras	LATVIA	Felixstowe
Pireus	Rīga	Forth (Edinburgh)
Thessaloniki	Ventspils	Glasgow

SPAIN

Algeciras

Barcelona

Bilbao

Cartagena

Gijón

A Coruña

Las Palmas

Palma de Mallorca

Sevilla

Tarragona

LITHUANIA

Klaipėda

MALTA

Valletta, Marsaxlokk

THE NETHERLANDS

Amsterdam

Rotterdam

Terneuzen, Vlissingen

POLAND

Gdansk, Gdynia

Świnoujście, Szczecin

Grimsby, Immingham

Liverpool

London

Southampton, Portsmouth

Tees and Hartlepool

ANNEX XII:

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ANNEX XIII:

Glossary

Cargo handling operations involve marshalling services (receipt, storage, assembly and sorting of cargo in preparation for delivery to a ship's berth) and stevedoring services (loading and unloading of cargo from ships).

Confinement means that a port authority that decides to operate a specific service themselves (in-house) is not allowed to offer this service outside its own port. The port authority service provision is thus confined (limited) to the own port under its control.

Deep sea shipping refers to the maritime transport of goods in intercontinental routes, crossing oceans;

Dredging involves collecting and bringing up, fishing up or clearing away or out material and/or any object from the bed of a river, sea, etc.; transporting it to the relocation site and unloading the material or object. The purpose for dredging can be maintenance of the depth or the deepening of navigation accesses or channels; it can also be land reclamation, coastal protection, seabed stabilisation for the offshore energy installations or the removal of contaminated sediments;

Feeder Services are transport operations in which cargoes are shipped by water in smaller vessels to/from a load-centre port for loading to or unloading from larger ocean-going vessels. Feeder services are usually linked to the "hub and spoke" logistic distribution model.

Hub-and-Spoke is a cargo distribution model which drives shipping companies to consolidate shipments on the large scale at major terminals (i.e., hub) and to redistribute the smaller scale of shipments to their respective destinations via radial links (i.e., spoke). The model is of particular importance for containers trades.

Managing body of the port or port authority means a body which administer and manage the port infrastructures, and the coordination and, where appropriate, the control of the activities of the operators present in the port or port system concerned. It may consist of several separate bodies or be responsible for more than one port;

Mooring is a service provided by specialised boatmen companies securing or confining a vessel in a particular station, as by cables and anchors or by a line or chain run to the wharf.

Other Ancillary (or general) services provided in many ports include bunkering, chandlery, ship repair, container maintenance, marine appraisals, insurance claims inspections, banking, etc.;

Passenger services: services provided in passenger terminals in ports, of particular importance for ferry crossings (islands' traffic, Channel and straits crossings, North and Baltic Sea inter-city connections);

Pilotage services means services to ships offered by a maritime pilot. Such services include but are not restricted to: deep-sea pilotage; coastal pilotage; sea pilotage (from sea to port or vice versa); shore-based pilotage; river, canal, docking and harbour pilotage. A maritime pilot is either a deep-sea pilot or any other maritime pilot who is authorized by the competent authority to carry out pilotage services in a designated area, and who holds appropriate documentation issued by the competent authority.

Port dues (also referred to as port infrastructure charges) are charges by a port authority to a vessel for each harbour entry, usually on a per gross tonnage basis. The usual justification of port dues is the need to cover the costs of basic port infrastructure and marine facilities including equipment such as buoys, beacons, and vessel traffic management system.

Port system means two or more ports in the same geographical area and managed by a single managing body;

Ro-Ro means Roll-on Roll-off vessels: these are the typical ferry vessels where cars and truck drive on and off by means of a ramp. This is also used for car carriers, to avoid wasting time by having to hoist the cars, trucks, busses or other vehicles in the ships.

Seaport or port means an area of land and water made up of such works and equipment as to permit, principally, the reception of ships, their loading and unloading, the storage of goods, the receipt and delivery of these goods, and the embarkation and disembarkation of passengers;

Self-handling entails companies employing personnel of their own choice for handling cargoes in ports. In several EU Member States, handling of cargoes in ports can be done only by registered dock workers, usually working as autonomous "pools" within the port;

Short-sea shipping means the movement of cargo and passengers by sea between ports situated in geographical Europe or between those ports and ports situated in non-European countries having a coastline on the enclosed seas bordering Europe.

Towage is a service provided by tug boats which move larger ships that either should not or cannot power themselves. Usually, towage companies are private companies that operate in the port by means of an authorisation of the port authority. In some cases, towage operators are owned by the State;

Waste reception services: in the EU, the provision of ship waste reception facilities in ports is an obligation stemming from Directive 2000/59/EC; waste reception facilities can be operated as a commercial service or as a public service provided by the port.