A. INTRODUCTION

In 2004, the Commission adopted its latest Community Guidelines on State aid to maritime transport\(^1\) (hereafter “Maritime Guidelines”). These guidelines notably specify that they will be reviewed within seven years of their date of application.

The purpose of the present consultation is to invite Member States, other institutions and stakeholders to provide information on industry developments, feedback on the application of the Maritime Guidelines and their effects, as well as any comments and proposals regarding the State aid to maritime transport.

The present consultation gives the Member States, other Institutions and stakeholders the opportunity to express their views on the various issues at stake. The Commission will carefully analyse the outcome of the consultation before deciding to what extent changes to the current rules are necessary and, if appropriate, come forward with a proposal for revised Maritime Guidelines. At this stage, the Commission has not taken position concerning a possible modification of the existing guidelines.

B. GENERAL REMARKS REGARDING THE CONSULTATION

Member States and other interested parties are invited to respond to the questionnaire. Replies can be submitted in all official languages. Given the possible delays in translating comments submitted in certain languages, translations of the replies in English, French or German would enable the Commission to process them more speedily.

Certain questions are intended specifically for public authorities or certain stakeholders and respondents are, thus, not required to address every question. If you are not concerned by a particular question, please reply “not applicable”. If not stated otherwise in the questionnaire, the questions are directed to both, public authorities and stakeholders.

Any comments and information submitted beyond the scope of the questionnaire will be welcome, in particular other documents, reports, studies, data sources, etc which may be relevant.

\(^1\) OL C 13 of 17.01.2004. p.3
The deadline for replies is 14 May 2012. The replies should be sent to the European Commission, DG COMP, Unit F-2, B-1049 Brussels, preferably via e-mail to Stateaidgreffe@ec.europa.eu indicating the consultation reference "HT2744 - Review of the Guidelines on State aid to maritime transport". 
QUESTIONNAIRE

NOTE: The following questionnaire follows the structure of the Community Guidelines on State aid to maritime transport. You are requested to follow the order of the questions, even though you are not required to reply to all questions. You can also submit additional information that you consider relevant and which does not fit the questions in this questionnaire.

A. ABOUT YOU

Please describe the main activities of your company/organisation/association. Please provide your contact details below.

Name

European Dredging Association (EuDA)

Organisation represented

Founded in 1993, the European Dredging Association (“EuDA”) is a non-profit industry organisation for European dredging companies and related organisations to interface with the various European Union’s Institutions and also some International Organizations (such as IMO, HELCOM or ILO). - for more information, please consult http://www.european-dredging.eu/

Location (Country)

Belgium

E-mail address

paris.sansoglou@euda.be

For the sake of transparency, the Commission intends to make accessible the replies to this questionnaire on its website. In the absence of reply to the following questions, the Commission will assume that the response contains no confidential elements and can be divulged in its entirety.

For rules on data protection on the EUROPA website, please see: http://ec.europa.eu/geninfo/legal_notices_en.htm#personaldata

A.1. Do you object to the disclosure of your identity?

No

A.2. Does any of the exceptions foreseen in Article 4 of Regulation 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents apply to your response? If so, please indicate clearly which parts should not be divulged, justify the need for such confidential treatment and provide also a non-confidential version of your response for publication on our website.

No

B. GENERAL QUESTIONS

B.1. Assessment of the market/regulatory developments

B.1.1 Based on your knowledge and information at your disposal, what are the main developments in the maritime industry since 2004 with respect to

(a) world's seaborne trade\(^2\), the number of containers transported\(^3\), the overall tonnage of the world fleet\(^4\); what were the effects of the global crisis and are there already signs of recovery? If possible, please provide the same data per country, per company and for the years since 1989.

The European Dredgers are key facilitators of the maritime transport activities and the offshore energy installations.

The developments in seaborne trade, driven by continuous technological developments meant that the ports had to follow the development and expand their activities, deepen their accesses, ... this is where the dredgers have brought their contributions.

The strength of the European Dredgers comes from their versatility translating into an extensively varied portfolio of activities which can include activities outside the direct scope of maritime transport such as land reclamation for tourism (e.g. artificial islands), beach replenishment, coastal defence, environmental remediation (for other purposes than navigation) or deep sea mining. All of these activities include the maritime transportation of natural materials by specialised dredging vessels and contribute positively to improve the European maritime clusters and benefit them significantly.

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\(^2\) Measured in tonnes and tonne-kilometres.

\(^3\) Measured in 20 Foot Equivalent Unit (TEUs).

\(^4\) Measured in Deadweight tonnage or gross tonnage.
The dredging drivers are the following:

![Turnover evolution per driver](image)

Source: IADC-EuDA

(b) market position of the EU maritime industry (EU controlled and EU flagged ships? How would you describe the current competitive situation of the various EU companies in the maritime sector in comparison with non-EU companies and the rest of the world? Where available, please provide the relevant data on, for instance, leading players, market shares, market share evolution in relevant markets, etc.

All major maritime inventions have been made in Europe. Shipping is still dominated by Europeans: according to Clarkon’s 48% of the world fleet is European owned (37% EU).

![Top Ten Shipowning Countries](image)

Source: Clarkson Research Services Ltd

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5 Measured by different indicators, such as: number of EU controlled and EU registered fleets, fleet capacity (existing ships and newbuilts), container shipping and other types of shipping activities, nationality of best performing companies, etc.
Concerning the dredging industry, the European Dredgers’ market share is around 80% of the world’s free market.

Sources: IADC

As can be seen from these two graphs, comparable data can be an issue: depending on the mix of drivers or market segments included or not in the figures, comparison can be difficult.

(c) number of passengers transported and passenger–km performed; the overall capacity of the fleet of passenger vessels, split by different type of vessels;

Not applicable.

(d) regulatory changes (at national, EU and international levels) concerning, for example, security and safety standards, on board and on shore working standards, training requirements, flag share requirements, international agreements, transport and competition with other modes of transport, tourism, tax policies, successive EU enlargements in 2004 and 2007;

The reference legislator for maritime transport is the International Maritime Organization (‘‘IMO’’). The legislative developments at IMO usually concern the minimum standards for security and safety, on board working conditions, training requirements, flag share requirements,...

The European Dredgers’ best practices take them always well above the minimum standards agreed within IMO.

Alongside IMO there are the Regional Seas Conventions (e.g. OSPAR, HELCOM, ...) which can impose stricter rules on specific issues (e.g. sulphur emissions in the Baltic Sea).

Environmental legislation is the one which most impacts the dredging industry. EU legislation plays a major role in this respect, with Framework Directives on Water, Marine Strategy and Waste, European Directives on Birds and Habitats, Environmental Impact Assessment, Strategic Impact Assessment, and communications on Integrated Coastal Zone Management/ Maritime Spatial Planning.

Reference can also be made to the European Commission’s leading policies on Community Transport Policy and to the Integrated Maritime Policy.
(e) main technological, regulatory, etc. developments since the introduction of the Guidelines which have impacted on labour conditions and more specifically, on labour costs. What are the likely developments in the future?

In 2006, the International Labour Organization (“ILO”) adopted the Maritime Labour Convention (“MLC”). This Convention is meant to modernise and regroup the existing fragmented standards and to address, on one hand, conditions of employment, accommodation, recreational facilities, food and catering on board ships and, on the other hand, health protection, medical care, welfare and social security protection of the seafarers.

The MLC remains to be ratified. Although the MLC is a step in the right direction, even after its ratification, it will not establish a “social” level playing field. Indeed, as the MLC does not set any quantitative standards or obligation in respect of salaries, social security, pensions, …, it will have only a minor impact on some key sources of social imbalances and unfair competition, in particular the large differences in the labour costs around the world.

The MLC, when ratified and enforced, will mainly:
- affect the vessels and equipment;
- concern new buildings and will not have too much impact on the current fleet (due to the “grandfather clause” and the delay in ratification);
- with no significant effects to be expected on the actual costs of labour (no provisions with quantitative obligations in terms of salaries, social security coverage, pensions, …).

(f) flagging of vessels: proportion (and its change over time) of a Member State's controlled/ owned fleet registered under its flag, under other Member States' flag and under non-EU flag; extent of switching over time between Member States' flags and between EU flags and non-EU flags (and possible reasons for such switching). In particular, are you aware of sources containing statistics related to the flagging history of the EU fleet (e.g. movements of vessels among EU registers, or between EU and non-EU registers)? What are in your view the driving forces behind the evolution of EU flags over time (in terms of number of vessels and/ or tonnage). Please distinguish between factors related to measures falling under the scope of the current guidelines or other State Aid measures and exogenous factors (e.g. related to technological developments, demand for maritime transport services, non-EU countries' policies, etc);

As can be seen from the graph below, the introduction (1997) and the continuation (2004) of the Maritime Guidelines have significantly contributed to stop the general trend of flagging-out from EU registers for the vessels included in the scope of the Maritime Guidelines.
For the Trailing Suction Hopper Dredgers (TSHD), the impact of the Maritime Guidelines on the flagging of the European dredging fleet can be visualised on the graph below:

There is no single driving force motivating the choice of flag. Shipowners have to (and do) consider many parameters in order to make their optimal choice, which may vary according to the market segment(s) they are active in, to their perception of current and future developments or trends in their intrinsic markets, their choice of strategic positioning and so forth.

Accordingly, it is fair to say that the State aid for which dredging eligible under Maritime Guidelines is important in the decision-making process, as it is for the other shipowners, but it is not the sole force driving it. What is certain, however, is that, in their absence, unfair global competition would be even stronger and even more damaging to the EU dredging industry.
(g) employment by EU and non-EU registered shipowners on board of both EU and non-EU citizens;

(h) employment by EU and non-EU registered shipowners on shore of both EU and non-EU citizens; and

(i) employment of EU and non-EU citizens in maritime clusters

Question g-h-i

The Maritime Guidelines helped to reduce significantly the important labour cost differences between EU and non-EU dredging companies from low-cost countries. In spite of the Maritime Guidelines, those differences however remain important, as there are shortages of skilled seafarers and the EU dredging companies need a particularly well educated and skilled workforce (more than 40% of Bachelor or higher level of education):

![Pie chart showing education levels: Bachelor level 27%, Master level 14%, Other levels 59%]

Source: IADC

As regards the above questions, please provide relevant data which is in your possession or point to sources where such data and related information could be found. See annexed documents (3 annexes).

B.1.2 To what extent these developments could be attributed to State aid measures as opposed to other exogenous factors? Please specify and provide relevant data, if available.

As stated above (see B.1.1(f)), the impact of the Maritime Guidelines is difficult to isolate and to quantify precisely.

According to the EuDA members, the contribution of the Maritime Guidelines to the European maritime clusters, including maritime dredging, is nevertheless undeniable. It is the generally shared view among EuDA members that the Maritime Guidelines stimulated investments in the EU in terms of technology, equipment and human resources (EU seafarers, training, R&D, innovation, know how, ...).

B.1.3 How have maritime companies’ business models evolved since the adoption of the Maritime Guidelines? Please describe the main differences, if any, between the business models of European based shipowners and non-European ones?
Overall, the business model of the European Dredgers is to provide high added value services to their clients. They can achieve this by continuously investing in Research & Development, Innovation, new technologies and equipment as well as in training.

In so doing, the overall EU business model is squarely opposite to that of non-EU companies from low cost countries, often State-owned and highly dependent on government financial support, whose main focus is on keeping costs low (low-tech, low added value and low wage, with little respect for working conditions, social protection or welfare).

![Graph showing high-tech, high added value, high-wage vs low-tech, low added value, low-wage]

Source: EuDA

To a large extent, European Dredgers’ operations are located outside the EU (+/- 70%), but they repatriate 90% of their returns back to the EU. So they are continuously confronted with these unfair competition practices, which threaten in the long run to seriously harm their economic competitiveness.

Unfair competition practices are like coastal erosion: markets are eroded and lost at a steady pace; left untackled in the long term, they can wear out even the most resilient of companies and cause permanent damage to the industry.

B.1.4 Which are, in your view, the factors determining European shipowners’ choice of the country where they flag their ships and the country where they pay their taxes? Do you expect that these factors will change in the future?

(a) to which extent the choice is determined by State aid aspects?

As stated above (B.1.1(f) and B.1.2), State aid aspects are one of the many shipowners’ drivers in their decision-making process. From the EuDA members’ point of view, the State aid aspects have a significant impact on such decisions for the vast majority of their fleet. They consider that decisions (of Flag country) purely taken on fiscal basis are often the sign of a more speculative business model with little or no long term commitment to the sector.

(b) to what extent the choice is determined by other factors (for example, better, quicker and/or cheaper administrative services, favourable labour law or the way it is implemented, etc. Please substantiate your view with concrete data and examples.
Sometimes, by using other flags in their fleet, the European Dredgers can add a “home country advantage” to their offer, during tendering, to increase their chances of success.

(c) which countries are considered the best in the EU/in the world for ship-flagging and paying taxes and why?

For the European Dredgers, the EU flags of preference include Belgium, Luxembourg, Netherlands, Cyprus, Denmark, Germany, France, Italy, ...

The reasons are usually historical, commercial and fiscal.

B.1.5 What are the legal, technical or administrative barriers to registering a ship or to moving the head offices of a company from one country to another?

For the European Dredgers, there is no high threshold (legal, technical or administrative) to flag or re-flag a ship from one country to another country.

As opposed to ship-flagging itself, the relocation of head offices of an operational company is however a much more difficult exercise.

As most of the European Dredgers have been (re-)flagged into the EU, most of the operational head quarters are strongly established themselves within Europe.

B.1.6 To what extent did the Maritime Guidelines contribute to / hamper this evolution?

As stated above (B.1.1(f)), the Maritime Guidelines have certainly contributed to re-flag a number of dredgers back to the EU. (so they did certainly not hamper the evolution).

B.1.7 What characteristics are making the maritime sector unique from the perspective of State aid control? Please provide a list of substantive sectoral State aid rules which you judge necessary in view of these characteristics? Please clarify which aspects of the maritime transport sector could be satisfactorily addressed by horizontal State aid rules. Please be as specific as possible in your reply indicating also the expected economic, social and environmental impact of the sectoral rules.

As far back as we look in mankind history, the Seas and the Oceans have always been a key strategic resource.

In Ancien Greece, the idea of “Thalassocracy” made Pericles state: “Μέγα το της Θαλάσσης Κράτος” (~“Great is the Power of the Sea” and/or “Great is the Sea State… that controls the Sea”; 5th century BC).

On his webpage on Sustainable Development by Building with Nature®, Ronald Waterman stated:

“Many civilisations found their origin and were often developed in the border zone land-water, in coastal and deltaic regions. Therefore, it is not a surprise that at the beginning of the 21st century, around 80 % of the largest population centres in the world is found in coastal areas”. 
Moreover, account must be taken of what the European Commission President, Mr José Manuel Barroso, stated in his introduction to the Brochure of the Green Paper on Maritime Policy (2006), namely that “Europe is a Maritime Continent”.

In his intervention at the 2010 SMM in Hamburg, Dr Martin Stopford (Managing Director of Clarkson Research Services Ltd) rightly stated as follows:

“If shipping stopped for 3 months, so would modern life as we know it”. “Sea trade is complex … is managed through a market driven system which ruthlessly drives down transport costs. With few barriers, this remains one of the few examples of the classical economist’s “perfect competition” model at work. This market based system, combined with improved technology, and meant that over a period of fifty years transport costs for key commodities such as coal and oil hardly increased”.

The European Commission itself, in the justification of the Maritime Guidelines, used arguments and reasons which continue to apply to the present day: in the field of maritime transport, the European fleet continues to be faced with fierce competition from vessels registered in third countries which do not take much care to observe social and safety rules in force at international level.

This applies to dredging as it applies to the other shipping segments: international competition for maritime dredging is ruthless and cost cutting remains a key “survival of the fittest” strategy. The Maritime Guidelines helped significantly reduce the level of one of the main operating costs: labour.

Tonnage tax regimes (including fiscal measures) enable companies to remain competitive even in high tax countries compared to low tax (tax heavens) or countries with (State-owned) national companies which receive unfair advantages (e.g. China).

In conclusion, as opposed to other sectoral State aid regimes, which address intra-EU distortions of competition, the Maritime Guidelines are aimed at addressing market failures and distortions of competition at a worldwide level as well as at aiding the EU dredging companies to compete with non-EU competitors, who frequently have cost advantages over EU players. That specific rationale justifies, and even warrants, maintaining the Maritime Guidelines as a separate policy instrument.

B.2. Objectives of the Maritime Guidelines and current challenges for the maritime sector

The general objectives of the Maritime Guidelines are contained in Section 2.2 thereof.

B.2.1 Which are, in your view, the likely developments and where do you see the major challenges for the maritime sector in the short (during the next
It is hoped that the cost cutting currently pursued by most public administrations for public works will not be pursued in the medium to long term and that the dredging markets will pick up again.

In the meantime, the prolonged global financial and economic crises have exacerbated competition and many countries are tempted to provide special protection to their national champions and to provide them with additional (but unfair) advantages, purely based on Government support.

This is particularly the case for the companies which are active in fiercely competitive global markets, such as the dredging market. Indeed, in the field of dredging works in Africa, Asia and South America, China’s approach to international trade (including financing practices such as “tied aid”) is often distorting competition, closing markets and creating unfair advantages for their (State-owned) national companies.

**B.2.2 Do you consider that the Maritime Guidelines laid down the basis for a satisfactory State aid policy in the maritime sector today?**

EuDA members strongly believe that the Maritime Guidelines helped to balance the situation on the global market and contributed to a better level playing field. They also believe that the Guidelines will continue to play an important role for the future of the EU dredging industry.

**B.2.3 Do you consider that the objectives indicated in the Maritime Guidelines are still valid? Should they be modified and, if yes, how? Do you consider that they should be ranked and weighted and, if yes, in what way? Please provide justification of your opinion and be specific as possible, providing data and narrative explanations.**

As stated here above (B.1.7), the prolonged economic and financial crises, the fierce global competition, the unfair practices by Asian economic actors and the lack of level playing field fully justify the extension in time of the Maritime Guidelines (see also the Staff Working Document accompanying the EU Transport Policy White Paper explaining that the main conditions justifying the granting of State aid to maritime transport are still present: “Fierce international competition and the lack of an international level-playing field for shipping – which have justified the granting of State aid so far – are still there to a large extent”).

In short, EuDA finds that the objectives of the Maritime Guidelines continue to be valid. They should not be weighted or ranked.

As explained below, EuDA proposes to clarify the Maritime Guidelines in two respects:

1. State aid should be permitted for the entire “maritime dredging cycle”, much in the same way as the European Commission interpreted the Maritime Guidelines in its decision of 13 January 2009 regarding aid C 22/07 (ex N 43/07) (OJ L119/23 of 14.5.2009).
2. State aid should be permitted for self-propelled cutter suction dredgers, as used to be the case under the Maritime Guidelines (1997): cutter suction dredgers (“CSD”) are specialised dredging vessels capable of loosening very hard material (e.g. hard rock) and of working in areas where the use of trailing suction hopper dredgers (“TSHD”) is either impossible or uneconomical. CSDs are also capable of transporting material over long distances (through pipelines). When in operation at the extraction site, CSDs are “sailing” and subject to inspections like any other sea-going vessels. Moreover, crew-members on board of self-propelled CSDs, should have the same competences and certificates, to operate their vessels, as their colleagues on board of vessels where the Maritime Guidelines apply. It is not opportune to “organise” a kind of distortion in the labour market, in disfavour of CSD.

B.2.4 Which are in your opinion the market failures present in (or, more generally, the objectives of common interest related to) the maritime transport industry, which have been successfully addressed by the current State aid measures and which are the ones that have not been addressed successfully? In the latter case, do you find insufficient the general provisions of the Guidelines or their implementation by Member States? What is in your view the most effective way to address the market failures present in the maritime transport industry?

Continuing the trend started with the 1997 Maritime Guidelines, EuDA members find that the 2004 Maritime Guidelines contributed to improving the global level playing field and to stopping the general trend of flagging-out from EU registers for the vessels included in the scope of the Maritime Guidelines (see above, point B.1.1.(f) and below B.2.5 and B.2.6).

It is generally accepted among the EuDA members that the Maritime Guidelines also stimulated investments in the EU in terms of technology, equipment and human resources (EU seafarers, training, R&D, innovation, know how, ...).

B.2.5 Do you think that there are positive or negative externalities associated with flagging-in vessels under EU flags? Please explain. How important are they? Please substantiate with data, if available.

European registers are subject to EU and national (EU Member State) legislations, which impose more stringent rules than non-EU flags of convenience. The construction, operation and crewing standards are on average much higher. A positive externality to flagging-in vessels under EU flags is therefore the qualitative improvement (safety and security) of maritime transport in the European waters that flows from it.

B.2.6 Do you consider that State aid measures are necessary to allow Member States to impose stricter requirements on the industry as regards working conditions and environmental aspects without prompting delocalization?

The State aid measures are not necessary to implement the mandatory minimum standards. However when faced with fierce global competition, where cost cutting is the general rule, EU-flagging, with its higher
requirements and more thorough inspections, might be perceived as a disadvantage against third country competitors and has driven shipowners towards flagging-out in the past (before the establishment of the Maritime Guidelines).

**B.3. Application of the Maritime Guidelines**

<table>
<thead>
<tr>
<th><strong>Information requested from public authorities</strong></th>
</tr>
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<tbody>
<tr>
<td>Did you grant State aid under the Maritime Guidelines since 2004? If yes:</td>
</tr>
</tbody>
</table>

**B.3.1 Please indicate the total amount of aid (in million €) granted by your authorities (region/Member State) between 2004 and December 2011, on a yearly basis, under the Guidelines. Please specify the aid amounts under each specific provision of the Guidelines, and, if possible, distinguish whether the aid was given under an approved State aid scheme or as individual aid:**

- Fiscal aid in the form of tonnage tax and other fiscal measures
- Coverage of labour related costs for seafarers – reduction/exemption from social contributions and reduction/exemption from income tax
- Crew relief aid
- Investment aid
- Regional aid
- Training aid
- Restructuring aid
- Aid for short sea shipping
- Compensations paid for imposed Public Service Obligations and signed Public Service Contracts

**B.3.2 Please indicate the total number of beneficiaries that received aid under the Guidelines during the period indicated above. Please distinguish, if the beneficiaries were (a) shipowners or (b) any other entities.**

<table>
<thead>
<tr>
<th><strong>Information requested from public authorities and enterprises</strong></th>
</tr>
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<tbody>
<tr>
<td><strong>B.3.3 In general terms, what is your experience with the application of the Guidelines? Do you consider that the guidelines have had an impact on the EU flag (preventing out-flagging to third countries) and on EU employment of seafarers or various types of investments (training, communication on board, etc.)? Please provide relevant data, if available.</strong></td>
</tr>
</tbody>
</table>

As far as dredgers are concerned, the Maritime Guidelines have definitely positively impacted the EU (re)-flagging the vessels eligible under the Maritime Guidelines (see “Flag Evolution of TSHD” graph under B.1.1.(f)).
Concerning the dredgers excluded from the scope of the Maritime Guidelines, the general trend is a decrease of EU flags (see graph below).

B.3.4 What are the positive/negative impacts of this aid? When answering the questions (a) to (h) below, please be as specific as possible, providing concrete data and narrative detailed explanations, please try to quantify each impact.

(a) What impact does it have on the global economic position of the EU maritime industry (in terms of market share, turnover, size and capacity of controlled and/or registered fleet, etc.)?

By contributing towards compensating the global market failures in maritime transport, the Maritime Guidelines have allowed a fairer competition to take place and, consequently, contributed to allowing European Dredgers to defend their position on the international markets.

(b) Does it have an impact on employment levels in the shipping industry, for example in terms of numbers and quality of overall jobs created or lost?

Yes, the general agreement amongst the EuDA members is that there is a positive impact and that more seafarers have been hired than would have been the case in the absence of the Maritime Guidelines.

(c) What is the impact on jobs created for seafarers in general and seafarers with EU/EEA nationality, in particular?

The impact of the Maritime Guidelines is difficult to measure in terms of nationality.

However, in the absence of the Maritime Guidelines, the proportion of Europeans onboard ships would be much smaller. Moreover, without them, the current shortages of trained seafarers would probably be even more accentuated by the reduced interest of the European youth to enter the profession. Ultimately, without them, the critical mass of people, skills and knowledge in the EU would be at risk.
(d) What is the impact on jobs created in the on-shore maritime activities of shipping companies?

Given that the Maritime Guidelines contributed to allowing European Dredgers to defend their position on the international markets, they have also contributed to the increase of the on shore staff within the dredging companies but also outside, among the stakeholders involved with the maritime clusters. Because of the Maritime Guidelines positive impact on dredging, more jobs have been created at the dredgers’ suppliers companies: shipbuilding and equipment manufacturing; international advisory services and consultants; maritime academies, universities and technical institutes.

(e) What is the impact on jobs created in the maritime cluster as a whole?

The European Maritime Cluster is a “political conceptualisation” of all the European Maritime Industries. In reality there are many maritime clusters in Europe. Maritime clusters are usually gathering maritime stakeholders, often located in close geographical proximity (e.g. located in coastal communities or regions), with complementary and interconnected activities (see example above B.3.4(d)). In a “snow-ball” effect passed down the transport (logistics) chains, the benefits of maritime clusters are directly linked to the increase of (maritime) trade operations (starting with ports, terminals, then the hinterland transport infrastructures, transporters, importers and exporters).

Concerning the offshore energy clusters, they benefit from reduced costs (linked to the Maritime Guidelines) for site preparations, installation, cable-laying and maintenance work, which allows them to invest more in the EU and potentially create more benefits and turnover for Europeans.

(f) Does it promote better qualifications of workers, better environmental conditions/products?

Yes, by promoting the EU seafarers, the Maritime Guidelines contribute to maintaining a critical mass of EU staff. Also, by promoting more environmentally friendly and socially responsible ships and shipping operations, the Maritime Guidelines more generally contribute to the improvement of the image of the profession and contribute to attract more EU students to embrace seafaring.

(g) Does it have positive or negative direct or indirect effects on other aspects of Member States’ economic activity (regional, wider maritime cluster, etc)?

Maritime clusters, in particular those linked to shipbuilding, have been used by less industrialised countries as an industrialisation and economy building vector: Japan in the 50’s-60’s, South Korea in the 70’s and recently China in the 90’s. Shipbuilding offers the possibility of many technological spin-offs, (offshore and on shore) and so a thriving maritime cluster is an important source of regional development for coastal communities, often spreading the benefits to neighbouring regions further inland.

In the maritime clusters, most maritime activities (including shipping, tourism and offshore energy) are facilitated or improved by the presence and
activity of the dredgers. Dredgers provide their clients with unique and high added value services: dredgers allow for more ships (ports expansion) and larger ships (deeper ports) to enter ports; dredgers replenish beaches, construct artificial islands and protect the coast from erosion; dredgers do site preparations, installation, cable-laying and maintenance work for the offshore energy installations.

On the dredging suppliers’ side (see also above B.3.4(d)), the high tech and knowledge-based dredging industry is driving technological developments.

So the benefits provided by the Maritime Guidelines to the European Dredgers are passed on to the other stakeholders of the European maritime clusters.

B.3.5 Do you consider that the Guidelines should be revised in light of the developments in the industry? Alternatively, do you consider the Guidelines (i) should not be modified or (ii) should be abolished so that the general rules on State aid should apply? Which other actions do you consider appropriate?

In its Communication on “Strategic goals and recommendations for the EU’s maritime transport policy until 2018”, the European Commission concluded that:

- “it is of key interest for the EU to achieve and maintain stable and predictable global competitive conditions for shipping and other maritime industries; [...]”

- “a clear and competitive EU framework for tonnage taxation, income taxation and State aid should be maintained and, where appropriate, improved, in the light of the experience gained under the State Aid Guidelines for Maritime Transport; [...]”

- “Commitment to quality shipping efforts, [...] working together to achieve a level playing field for maritime transport, [...], should be part of these efforts”.

EuDA fully supports these conclusions, which favour an extension in time of the Maritime Guidelines.

B.3.6 In case you consider that the Maritime Guidelines should be revised, what changes, in terms of structure and substantive points, on the one hand, and other minor points, on the other hand, would you recommend and why?

As mentioned above, EuDA proposes to extend in time the Maritime Guidelines and to clarify them in two respects:

1. State aid should be permitted for the entire “maritime dredging cycle”.
In the 2004 Guidelines, the use of the word “dredging” is limited to one part of the dredging cycle, namely the extraction (and loading) phase.

However “dredging”, or more precisely “maritime dredging” in the scope of the Maritime Guidelines, means and includes the entire “maritime dredging cycle”.

A Typical Dredging Cycle

In a typical maritime dredging cycle, sea-going dredging vessels spend the majority of their time sailing back and forth between excavation sites and placement sites, transporting materials between the port and the borrow site, sailing between borrow sites, and sailing from sites where material has been extracted to unloading or placement sites.

This was recognised in the Commission Decision of 13 January 2009 on State aid C 22/07 (ex N 43/07) as regards the extension to dredging and cable-laying activities of the regime exempting maritime transport companies from the payment of the income tax and social contributions of seafarers in Denmark (OJ 2009 L119/23).

In this decision, the European Commission made milestone clarifications which are of great relevance to the dredging industry:

- for the first time, the Commission recognises eligibility by analogy for a State aid scheme to maritime transport;
- for the first time, the 50% rule is omitted or not explicitly referred to (as it is not applicable);
- for the first time, the dumping phase of the dredging cycle is recognised as eligible.

The 2012 revision of the Maritime Guidelines should take account of the decisions taken by the European Commission since 2004 concerning the implementation by the Members States of the Maritime Guidelines.

Consequently, EuDA propounds the following definition, simplified for the purpose of the revision of the Maritime Guidelines:
Maritime dredging is the maritime transportation of natural (extracted) materials by self-propelled sea-going dredging vessels.

Should the entire maritime dredging cycle be included in the scope of the Maritime Guidelines, as it was interpreted by the European Commission in its decision of 13 January 2009 regarding aid C 22/07 (ex N 43/07), the 50% rule would no longer be required. The “maritime dredging cycle” would, by definition, be “maritime transport” and the 50% rule would always be complied with. The 50% rule would lose its relevance and maintain unnecessary administrative burdens.

2. State aid should be permitted for seaworthy self-propelled cutter suction dredgers, as used to be the case under the Maritime Guidelines (1997).

There are only 20 seaworthy self-propelled cutter suction dredgers in the world (most cutters are not self-propelled). The Chinese competition, State-owned and heavily State-supported, represents a very significant threat to EU dredging companies active in this niche segment. Like for the other maritime dredging activities, the purpose of the inclusion of this niche segment in the Maritime Guidelines is not to push for operational aid but to compensate for global market failures which EU seaworthy self-propelled cutter suction dredgers face. If they remain excluded from the shelter of the Maritime Guidelines, it is to be expected that EU dredging companies will lose significant market share to subsidised dredging from Chinese State-owned competitors.

In the European Commission’s decision of 13 January 2009 regarding aid C 22/07 (ex N 43/07), the European Commission confirmed (at nr. 83): “Dredgers are sea-going vessels and they are obliged to undergo the same technical and safety controls as vessels dedicated to maritime transport”.

Building on this case and emphasising the unfair competition and serious threat represented by the emerging Asian (Chinese) dredgers, EuDA is recommending to include the self-propelled cutter suction dredgers in the scope of the Maritime Guidelines, as the self-propelled cutters, by analogy to the other eligible seagoing vessels:

- are active in a global fiercely competitive market;
- are at risk of “flagging-out” or re-locating where the fiscal treatment is more accommodating (as shown in the graphs above);
- face the same legal environment in the labour, technical and safety fields as the other sectors of maritime transport;
- need highly qualified, trained and skilled seafarers;
- need (and generate) a significant amount of maritime know-how;
- contribute significantly to the European economy and employment.
B.4. Aid granted to maritime transport companies under other State aid instruments - information requested from public authorities

Companies carrying out maritime transport are eligible for aid under the horizontal State aid instruments.

B.4.1 If public authorities in your Member State have granted State aid for shipping companies under State aid instruments other than the Maritime Guidelines:

(a) Please indicate the total amount of aid (in million €) granted for shipping companies under horizontal State aid instruments, specifying the legal basis and objective, between 2004 –December 2011, on a yearly basis.

(b) Please indicate the percentage of aid granted respectively for shipping companies under the Maritime Guidelines and under horizontal State aid instruments, specifying the legal basis, between 2004 –December 2011, on a yearly basis.

B.5. Undue distortion of competition within the EU

B.5.1 Do you consider that there are competition distortions in the EU maritime industry related to misinterpretation/wrong application of the Guidelines or the Commission’s decisions? Please substantiate your view with concrete examples and data.

No, not as far as dredging is concerned.

B.5.2 How do you appreciate the potential scope for subsidy races among Member States?

No such race within the EU as far as dredging is concerned.

B.5.3 Are there any national provisions in the EU within the remits of the Guidelines (such as tonnage tax and reductions or exemptions from social protection contributions and from income tax) which render a particular national State aid scheme more advantageous than the other existing schemes in the EU? What are the particular provisions/conditions which render this scheme more advantageous?

To the European Dredgers’ knowledge, there is no particular State aid scheme more advantageous than the others in existence in the EU.

B.6. Scope of the Maritime Guidelines and eligible activities

Before answering the following questions, EuDA would like to highlight how unfortunate the association of the tugboats and dredgers in the B.6 series of questions is: indeed these two sectors are completely different in terms of cargoes, markets and global competition.

B.6.1 Do you consider that the inclusion in the scope of the Maritime Guidelines of tugboats and dredgers is appropriate? If yes, is the 50% rule adequate? Should the percentage be increased or decreased? What are
Yes the inclusion of both sectors is appropriate.

As stated above (B.3.6), as read in line with that European Commission decision, should the entire maritime dredging cycle be included in the scope of the Maritime Guidelines, the 50% rule would no longer be required. The “dredging cycle” would, by definition, be “maritime transport” and the 50% rule would always be complied with. The 50% rule would lose its relevance and maintain unnecessary administrative burdens.

As stated above (B.3.6), as read in line with that European Commission decision, a typical dredging cycle includes for the main part maritime transport (i.e. sailing empty, loading, sailing loaded and unloading).

B.6.2 Do you consider that the inclusion in the scope of the Maritime Guidelines of cable layers, pipeline layers and research vessels is appropriate? If yes, should a similar to the 50% rule applied to tugboats and dredgers be introduced? What are the current national rules/administrative practices with respect to such types of vessels?

Yes their inclusion is appropriate.

As regards the 50% rule, the same reasoning applies as under B.6.1, which means that a 50% rule is not required and should be avoided as an unnecessary administrative burden.

In this context, it is worth mentioning that in the projects involving cable-laying or pipe-laying, other specialised vessels facing similar international competition conditions, are involved, e.g. the “fallpipe vessels”, which are transporting vessels preparing the seabed, therefore operation before and sailing just in front of the cable-layers/pipe-layers, and/or protecting the cables/the pipelines once laid down on the seabed by covering them with a carpet of stones.

B.6.3 Do you consider that other activities carried out at sea should be also eligible for State aid under the Maritime Guideline, such as, but not limited to derrick barges\(^6\), cable repair vessels, diving support vessels, oil well stimulation vessels, pilot vessels\(^7\), survey vessels, hydrographical surveying and construction in a marine environment, vessels providing offshore services, mobile platforms, etc.? If yes, should a similar 50% rule as to the one for tugboats and dredgers be applied? What are the current national rules/administrative practices with respect to such types of vessels?

Yes, as stated above (B.3.6), EuDA recommends to include the cutter suction dredgers. The 50% rule should not apply to dredgers (see above B.6.1).

The definition of cutter suction dredgers (CSD) should be amended as follows: “seaworthy self-propelled cutter suction dredgers”. There are only 20 of such type of vessels in the world (most cutters are not self-propelled). The Chinese competition, State-owned and heavily State-supported,

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\(^6\) This vessel, similar to crane vessel, is used for offshore drilling platform construction and is suitable for work in rough seas.

\(^7\) Pilot vessels are used for ensuring boarding of pilots on bigger ships.
represents the most significant threat to the European supremacy in this “niche segment”. So it is of utmost importance to safeguard free and undistorted competition for the European seaworthy cutters against these unfair practices.

B.6.4 In your view, should cruise services be eligible for State aid under the Maritime Guidelines? To what extent national laws/administrative practices already now allow granting aid with respect to cruise ship operation? To what extent the activities on-board such ships (casino, spa, entertaining services, hotel services while staying in ports, etc.) are ancillary to the transportation of passengers or constitute the main revenues of such ships? To what extent such services are billed separately and to what extent they are priced as a package together? To what extent the personnel on board and on shore in this industry comply with qualifications requirements identical or similar to "typical" maritime transport? Does the industry face competitiveness constraints from outside the EU?

No opinion.

B.6.5 In your opinion, should ancillary activities related to transportation of cargo and passengers be eligible for State aid under the Maritime Guidelines? If yes, what types of activities? Do you find the Commission's differentiation established so far between eligible and non-eligible activities adequate? What should be the definition of ancillary activities for the purpose of the application of the Maritime Guidelines?

In most cases, dredging vessels do not operate in complete isolation but are surrounded by a small fleet of supply and support vessels (e.g. crew ships and multicast).

EuDA however expresses no opinion with respect to the inclusion in the scope of the Maritime Guidelines of ancillary activities related to transportation of cargo and passengers.

B.6.6 Do you consider that it would be appropriate to include in the maritime guidelines provisions allowing for State aid to reimburse shipowners for the costs related to the use by seafarers for their own purpose of internet facilities on board the ship with the aim of improving living conditions on board?

EuDA considers that the Guidelines should not apply to internet facilities on board.

B.6.7 Do you have any other comments concerning the scope of the Maritime Guidelines?

No.

The eligibility of activities on board passenger vessels has been limited to the consumption on board of goods and services inherent in a voyage at sea as well as revenues derived from the rent of advertising billboards on board. On this basis, the Commission refused to consider profits derived from gambling, casinos, the sale of luxury goods and excursions for passengers as eligible. Similarly, the following profits have been considered as eligible for tonnage tax: renting out of containers, self-handling of cargo or costs of handling loading and unloading of cargo, storage and customs clearance, operation of ticketing facilities and passenger terminals, and operation of office facilities in relation to shipping activities subject to tonnage tax. Finally, for both freight and passenger transport shipowners’ revenues from bank accounts, insurance and currency hedging have been accepted as eligible for tonnage tax.
Section 3.1 of the Maritime Guidelines deals with fiscal treatment of shipowners. In particular, they give as examples the following fiscal measures which constitute aid, which could be compatible under certain conditions: (i) tonnage tax\(^9\), (ii) accelerated depreciation on investment in ships or (iii) the right to reserve profits made on the sale of ships for a number of years on a tax-free basis, provided that these profits are reinvested in ships.

### C.1.1 Do you consider that these fiscal measures are still necessary? Are they equally necessary for freight and passenger transportation? Please justify your reply on each of the three fiscal measures.

Not applicable to the dredgers.

### C.1.2 As a public authority, have you ever applied and do you still apply such measures?

### C.1.3 As a company, have you ever benefited from such measures? If yes, what was the duration, amount of aid, types of beneficiaries, level of tax applied and eligible activities?

Not applicable to EuDA.

### C.1.4 Do you consider that the tax advantages granted to shipowners facilitate the development of certain economic activities within the meaning of Article 107(3)(c) of the Treaty? If yes, to what extent?

Not applicable to the dredgers.

### C.1.5 Can you provide evidence of the changes provoked by the introduction of the measures in a particular Member State (or by subsequent amendments of these measures)?

Not applicable to the dredgers.

### C.1.6 In your view, would it be appropriate to establish some kind of conditionality between employment of EU/EEA seafarers and eligibility for tonnage tax? Please justify your reply on the basis of concrete data, examples and detailed narrative.

Not applicable to the dredgers.

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**Flag requirement**

The same section of the Maritime Guidelines contains a flag requirement which obliges ship-owners to register their additional ships within the EU if they want to get the tonnage tax treatment for these additional vessels only under very specific circumstances.

### C.1.7 Do you consider that the flag requirement currently contained in the Maritime Guidelines is still adequate?

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\(^9\) The system of replacing the normal corporate tax system by a tonnage tax so that the shipowner pays an amount of tax linked directly to the tonnage operated and irrespective of the company's actual profits or losses.
Yes, it is. However, as mentioned above, the 50% rule should not be required anymore for the dredgers, as the 50% rule would lose its relevance and maintain unnecessary administrative burdens.

C.1.8 If not, do you think that the flag requirement should be stricter or more flexible?

C.1.9 As a public authority, how do you verify at a company/group level compliance with this requirement?

C.1.10 Do you think that besides of the flag requirement there should be other eligibility conditions to benefit from the tonnage tax? What could these conditions be? For example, should eligibility for tonnage tax be subject to availability of space for cadets (berths for cadets onboard)? Please justify your reply on the basis of concrete data, examples and detailed narrative.

Not applicable to dredgers.

Eligibility of chartering activities

Regarding chartering in with crew, the Commission has stated in its decisions that it will not accept under tonnage tax companies whose entire fleet consists of ships chartered in with crew from other companies. However, it has been accepted that no more than 80% of the company's fleet under TT consists of ships that could be chartered in with crew from third parties. Going up to 90% is also possible, but under strict conditions.

The operations of a modern dredging vessel are much more sophisticated and complex than the operations of a typical cargo or passenger vessel. Because dredging requires important training of skills, there is a strong loyalty and employment continuity between the shipowners and the crews. It takes years before a skeleton crew is actually used to manoeuvre the ship and such skeleton crew will not easily be moved to another ship. Therefore, the split approach between “bare boat vessel” and “dedicated crews” does not apply to the EU dredging industry. The same goes for the series of questions below.

C.1.11 Do you consider that the chartering in with crew activities meet one or more of the objectives of the Guidelines? To what extent a high cap for chartering in with crew (80%) is justifiable?

Not applicable to the dredgers.

C.1.12 As a public authority, how do you check compliance with the conditions described above? Have you met any administrative difficulties in applying them? In particular, how do you apply the 80% and 90% rules in

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10 See e.g. § 19 of Commission decision in case C2/2008 – Tonnage tax modifications – Ireland.
11 According to Article 2 of Commission decision in case C 2/08 – TT modifications – Ireland, the following conditions should be met: each of the chartered-in vessels operated by a given tonnage tax company shall satisfy at least one of the following conditions: (a) the chartered-in vessel is registered in a Community or EEA maritime register; or (b) the crew management and technical management of the chartered-in vessel are carried out on the territory of the Community or the EEA.
Regarding bareboat chartering in (i.e. chartering in without crew), the Commission's constant practice is that such ships are assimilated to owned ships, as the shipowner fully operates them and assumes all legal responsibilities (insurance, liabilities, etc.).

C.1.13 Do you agree that bareboat chartered in ships should be assimilated to owned ships? Please justify your reply.

Not applicable to dredgers.

Chartering out with crew

C.1.14 Do you consider that in such activities, crews maintain and develop essential skills which they can later on use in on shore activities, thus contributing to the development of maritime know-how and the maritime cluster in the EU/EEA?

Not applicable for dredgers.

C.1.15 Do the shipowners ensure commercial management of their ships?

Not applicable for dredgers.

C.1.16 As a public authority, have you applied tonnage tax scheme to such types of activities and if yes, under what conditions? Please provide a copy of the relevant national legislation.

Bareboat chartering out

C.1.17 What conditions should be introduced in order to ensure that such activities are eligible only in case of temporary overcapacity? What should be time-limitations (not to cover structural overcapacity)? Should there be a cap in terms of percentage of tonnage under TT?

Not applicable for dredgers.

C.1.18 As a public authority, have you applied a tonnage tax scheme to such types of activities? If yes, under what conditions? Could you also provide the relevant national legal provisions on bare-boat chartering out?

C.1.19 Should there be any additional safeguards in this respect besides from the condition that bareboat chartering out should only be allowed for short term overcapacity or, on the contrary, should there be more flexibility in this respect?

Not applicable for dredgers.
Eligibility of revenues from pooling

C.1.20 As a public authority, have you ever applied tonnage tax to pool managers and if yes, under what conditions?

C.1.21 Do you consider that if pooled ships fly an EU/EEA flag or have their crew and technical management carried out on the territory of the EU/EEA, this is sufficient to include the revenues of the pool manager of these ships as eligible for tonnage tax?

Not applicable to dredgers.

C.1.22 In your view, should there be a requirement that pool managers should also own and fully operate (ensure commercial, technical and crew management of the ship) a certain number or percentage of the ships it manages in order to be eligible for tonnage tax? If yes, what should be the number/percentage of those ships? Please justify your reply by means of data and detailed narrative.

Not applicable to dredgers.

Eligibility of capital gains from shipping-related assets under TT; treatment of capital gains related to earlier over-depreciated ships and other assets - information requested from public authorities

C.1.23 To what extent and under what conditions should the capital gains from shipping-related assets be covered by TT and why? Is there differentiation in the rules for assets bought before and after company's/ship's entry into TT?

Not applicable to dredgers.

C.1.24 Are there any transitional measures applied by your authorities when companies switch from corporate tax into tonnage tax, in particular when they have accumulated so-called hidden tax liabilities before switching to the tonnage tax scheme (for instance because they have been using accelerated depreciation or other tax advantages in the context of corporate tax)? If yes, please explain in details these measures

Not applicable to dredgers.

C.1.25 Do the present national rules provide for the differentiation in rules for assets bought before and after entry into TT?

Not applicable to dredgers.

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Shipping pools are defined as “joint ventures between shipowners to pool vessels of similar types, with central administration, which are marketed as a single entity, negotiating voyage/time charter parties and contracts of affreightment, where the revenues are pooled and distributed to owners”, Murray, K (1994), Shipping Pools and EC Competition Law; A Guide for the Shipping Industry. London, 2–4 March.
C.1.26 Please provide copies of the relevant legislation governing the above issues and explain in details the applicable procedure.

Not applicable to dredgers.

Application of ring-fencing measures – information requested from public authorities

Ring-fencing measures applied in the context of tonnage tax aim at preventing "cherry picking" by the tonnage tax companies (for example, by choosing a particular period of paying tonnage tax when it is most beneficial) or the artificial creation of tax credits (for example, from over-depreciation) or tax evasion through distorted intra-group transactions.

C.1.27 Please describe the ring-fencing measures, if any, applied by your authorities with reference to their legal basis and provide a copy of the legal text(s) where such measures are contained.

Not applicable to dredgers.

C.1.28 In your view are these ring-fencing measures sufficient to prevent spill over of State aid from eligible to non-eligible activities? Please justify your reply.

Not applicable to dredgers.

C.1.29 Do you face any administrative difficulties in applying these measures?

Not applicable to dredgers.

C.1.30 What sanctions do you apply to prevent abuses of the TT system?

Not applicable to dredgers.

D. LABOUR RELATED COSTS

Section 3.2 of the Maritime Guidelines provides for two measures: (i) reduced rates of contributions for the social protection of EU seafarers employed on board EU registered ships; and (ii) reduced rates of income tax for EU seafarers on board EU registered ships.

D.1.1 Do you consider that the two measures described above are still necessary? Please justify your reply for each of the two measures.

Yes. Despite the fact that the Maritime Guidelines have helped to reduce significantly the large labour costs differences of the Europeans against other low labour cost nations (e.g. Philippines), the differences remain high as on

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On the basis of Section 3.1, subparagraph 19 of the Maritime Guidelines, the Commission has accepted in its decision-making practice the following features in a number of tonnage tax schemes:

(i) verification of commercial transactions across the ring fence, based on the arm length’s principle;
(ii) rules on the fair sharing of the cost of capital expenditure between eligible and non eligible activities;
(iii) rules on the fair allocation of revenues between eligible and non eligible activities; (iv) an all-or-nothing option for maritime groups for a lock-in period of ten years.
average a European Seafarer can cost from 2 to 5 times more than an Asian one.

The reduced income tax rate improves the attractiveness of the profession.

D.1.2 In your view are the eligibility conditions for seafarers and ships (to be registered in the EU) contained in this section sufficient and ensure compliance with the objectives of the Maritime Guidelines?

Yes, as far as dredgers are concerned.

D.1.3 Have you applied (in case of a public authority) or benefited from (in case of a company) aid to employment on the basis of the General Block Exemption Regulation (GBER)\textsuperscript{14}? If yes, what was the amount of the aid, types of beneficiaries and eligible activities?

Not applicable to dredgers.

D.1.4 In your view to what extent this measure contributes to the employment of seafarers and, in particular, of EU seafarers and/or to increasing the competitiveness of European shipowners? Please justify your reply with the support of data, examples and narrative explanation.

Not applicable to dredgers.

D.1.5 Do you believe that State aid measures should be targeted at a particular labour-force category (e.g. highly qualified officers)?

No, however the intensity of aid could be increased according to the level of qualification.

E. CREW RELIEF

Chapter 4 of the Maritime Guidelines provides for payment or reimbursement by the Member State of the costs of repatriation of EU seafarers working on board EU registered ships (crew relief).

E.1.1 In view of the fact that this provision has been hardly used, do you consider that it is still necessary? Would you agree if it is removed from the text? Please justify your reply.

EuDA agrees that this Chapter 4 of the Maritime Guidelines could be removed from the text due to the fact that the said repatriation is only happening in very few cases.

F. TRAINING AID

Chapter 7 of the Maritime Guidelines allows for training aid for seafarers in addition to Article 39 of the GBER.15

F.1.1 Can you please provide a list of cases in which Art 39 (2) GBER, Art 4(6) Training Aid BER and/or Chapter 7 of the Maritime Guidelines were applied to maritime training aid, and the estimated aid amounts?

No. See F.1.2.

F.1.2 In your opinion, is this provision of the Maritime Guidelines still necessary or do you consider that the GBER rules would suffice?

EuDA is of the opinion that the provisions of the Maritime Guidelines relating to this matter could be dropped and that the GBER rules would suffice.

F.1.3 If it is kept, would you consider that modifications are necessary?

See F.1.2.

G. SHORT SEA SHIPPING

Chapter 10 of the Maritime Guidelines allows for start-up aid to new or improved short sea shipping under certain conditions.

G.1.1 In view of the fact that this provision has been used only once, do you consider that it is still necessary? Would you agree if it is removed? Please justify your reply.

Not applicable to dredgers.

G.1.2 Do you consider that Member States should have the possibility to grant start up aid to short sea shipping or Motorways of the Sea services, even when these services have not and will not apply for EU funding under the Marco Polo II programme or the TEN-T? Please justify your reply providing data on identified market failures.

Not applicable to dredgers.

G.1.3 Motorways of the Sea represent the maritime dimension of the trans-European Transport Networks. According to the present regime, Member States are allowed to grant to Motorways of the Sea services.

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16 This is to be understood as "the movement of cargo and passenger 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".

17 In compliance with the Communication from the Commission providing guidance on State aid complementary to Community funding for the launching of the motorways of the sea (2008/C 317/08 of 12.12.2008).
complementary State aid of higher intensity and longer duration than otherwise provided in the Maritime Guidelines. Do you consider that this possibility should be maintained or modified in the future?

**Not applicable to dredgers.**

G.1.4 Do you consider that short sea shipping routes to non-EU countries should be eligible for start-up aid in certain cases, such as for routes towards outermost regions?

**Not applicable to dredgers.**

### H. APPLICATION OF THE AID CEILING - INFORMATION REQUESTED FROM PUBLIC AUTHORITIES

Chapter 11 of the Maritime Guidelines sets a general ceiling to the aid that can be granted under chapters 3 to 6 of the Guidelines

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I. Notification and reporting obligations – assessment requested from public authorities

Chapter 12 of the Maritime Guidelines sets out specific notification and reporting obligations:

I.1.1 What is your experience in complying with these provisions?

I.1.2 In your view, are there alternative measures for ensuring compliance with the provisions of the Maritime Guidelines?