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Opinion

Title **Different options to simplify/reduce/eliminate administrative procedures for short sea shipping and implementing a European Maritime Transport Space without Barriers**

Version of 9 June 2008

Lead DG **DG TREN**

1) Impact Assessment Board Opinion

(A) Context

Fast growth of heavy road transport and related congestion, accidents and pollution are the main economic, social and environmental problems that the policy to promote short sea shipping is expected to address. Complex administrative procedures hinder short sea shipping from developing faster and prevent the mode from fully contributing to the efficiency and sustainability of the European transport system. The complexity of administrative procedures has been generally identified as an obstacle to faster development of short sea shipping not only by the Commission (cf. the 2003 Programme for the Promotion of Short Sea Shipping, the mid-term review of that programme and earlier Commission Communications on the mode) but also by national administrations and other stakeholders. Under the concept of European Maritime Transport Space (EMTS) without Barriers, the Commission services have identified the main administrative and documentary procedures in short sea shipping with a view to simplifying, reducing or, when possible, eliminating them for transport operations between two EU ports.

(B) Positive aspects

A good effort is made to quantify overall costs and benefits, and the report presents succinctly much relevant information about the short sea shipping sector.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report, subject to the discussions that took place in the meeting with the Board.

General recommendation: The IA report requires substantial improvements in its presentation. The administrative bottlenecks need to be more clearly identified, for instance by differentiating whether they result from EU or national legislation and whether they affect in-

tra- or extra-EU shipping. On that basis the problems should be linked to a consistent set of objectives, particularly as regards administrative simplification. The estimation of key impacts, such as on modal shift or the time cost savings should be better presented, partly by clarifying inter-modal competition issues. Administrative burdens should be clearly differentiated from other (administrative) cost categories and where significant assessed on the basis of the Standard Cost Model methodology. During its meeting with the Board DG TREN agreed to make improvements in all of these areas.

Specific recommendations:

(1) Present the problems and the evolving policy context more clearly. First, the IA report should discuss more thoroughly all the relevant administrative bottlenecks or regulatory failures generated by existing administrative procedures, clearly differentiating whether these result from EU or national legislation and whether they affect intra- and/or extra-EU shipping. Second, the baseline scenario needs to be more fully developed, for instance by recalling the links to and impacts of the policy measures already in place or launched to establish the EMTS. This should also include a more complete description of the (partial) solutions already (or expected to be) implemented locally (e.g. electronic data transmission systems by selected ports). Finally a consistent timeline should be applied for the baseline (e.g. 2020).

(2) Improve the presentation and assessment of key impacts. Given that the overall utility of the initiative (in terms of net benefits) is largely determined by the correct assessment of 'time cost savings' the IA report should present more clearly how, and on the basis of which assumptions, the corresponding estimates (as reported in row F of the cost benefit summary table on page 33) have been calculated, and to what extent stakeholders considered these time cost savings to be the most important benefit of this initiative. With respect to the environmental benefits due to the expected modal shift from road/rail to maritime transport the IA report should (i) clearly set out how (and for which transport distances) short sea shipping competes with road/rail transport, (ii) specify which Member States/ports will be most affected and (iii) present more clearly the methodology and data used to develop the modal shift scenarios, consistent with the IA on external costs of transport (e.g. impact of the up-coming Euro VI measures for road transport). In this context the size of the expected modal shift effect should be qualified in the light of overall transport growth expectations. Finally, the apparent contradictions in the assessment of safety/security impacts (in section 5.2.3.2.) should be clarified.

(3) Improve the assessment of administrative burdens and differentiate them clearly from other compliance or investment costs. Given the overall aim of administrative simplification, the IA report should include an overview of all legal information obligations for customs, immigration control and other relevant formalities faced by undertakings that are likely to be reduced or eliminated if the various options are implemented. These administrative burdens should be clearly separated from other administrative, compliance or investment costs. The expected changes of the administrative burden (if significant) should be quantified using the EU Standard Cost Model methodology and the net results of the various options should be clearly presented, differentiating where appropriate between measures related to intra- and extra EU shipping, and between burdens which fall on the public authorities and on private undertakings.

(4) Relate the identified problems better to a consistent set of objectives and clarify the definition and content of policy options. The IA report should present a more hierarchical, better structured system of general, specific and operational objectives. In particular the specific (administrative simplification) objectives should be expressed in more SMART terms, allowing a better link to the identified problem causes on the one hand and the policy options (and simplification measures) that can remedy them on the other hand. On that basis the report should then

better describe the process of defining the three broad policy options, particularly how the set of measures included in the various options has been identified and whether the individual measures are all complementary. The rationale behind splitting up option B into two clusters (or sub-options) should be provided. The precise content of option C needs to be specified by clarifying which additional simplification measures it contains (including the 'extreme' measure of 'eliminating all procedures'). Furthermore the IA report should make clear for each of the envisaged measures which of them will be based on EU legislation (including the indication of the legal instrument) and which measures remain in the remit of national legislation and thus will be subject only to non-legislative instruments (e.g. recommendations). This issue is of particular relevance for the sensitive measure of separating areas for short-sea shipping.

(5) Compare the options also from a stakeholder perspective. The comparison of options should benefit from a more quantitative summary assessment as to the overall impacts (in terms of net costs/benefits) for the different affected stakeholders (e.g. ports, shippers, ship-owners, competent authorities/customs as presented in section 6.4) as well as for the third countries. This should allow a better demonstration of possible distributional effects and proportionality of envisaged measures.

(D) Procedure and presentation

The executive summary should present in a succinct way all the quantitative information on compliance costs and simplification benefits, including administrative costs and benefits. The IA report should clarify whether the part of the stakeholder consultation carried out by the external consultant has respected the Commission's standards for consultation of interested parties. A glossary explaining key technical terms and abbreviations should be added.

2) IAB scrutiny process

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