



## NORTHERN MARITIME CORRIDOR II

To

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### **Public consultation on the report of the High Level Group on the extension of the main trans-European transport axes to the neighbouring countries and regions and the way forward - RESPONSE FROM THE NMC II PROJECT**

#### **Introduction**

The Commission has announced a public consultation on the report of the High Level Group on the extension of the main trans-European transport axes to the neighbouring countries and regions. Please find below the response of the Northern Maritime Corridor (NMC) project II under the Interreg 3B North Sea Programme. NMC II is a follow-up project of NMC I running between 2002 and 2005. NMC I also responded to the consultation on the extension of the TEN-T in March 2005, as well as to the Mid-term review of the Transport White Paper in December 2005. In some cases, our response to the current consultation will refer to our responses to these previous consultations. Furthermore, our response will only address questions 1 – 4.

#### **About the Northern Maritime Corridor**

The Northern Maritime Corridor (NMC) is a sea based corridor aiming at attracting cargo from road to sea in an intermodal transport chain. In a long-term perspective the NMC's ambition is to be defined as a Motorway of the Sea, linking Motorways of the Western Europe and the Baltic Sea together. NMC I ran as a parallel Interreg 3B project in the North Sea and in the Northern Periphery in the period 2002 – 2005.

The map below shows the project's influence area, stretching from the Continent and UK to North Atlantic countries like Russia, Norway, Faeroe Island, Iceland and Greenland. The NMC corridor is therefore perceived to be very relevant in the framework of extending of TEN-T to neighbouring countries and regions.



The follow-up project, NMC II - Motorway of the Northern Seas - started up last year and will run until 2008. The project has partners from Norway, Denmark, UK, Netherlands and Flanders. The project aims at promoting the Northern Maritime Corridor as Motorway of the Northern Seas and integrating it into the Trans-European Transport Network (TEN-T). Apart from that, the project will continue the work started under NMC I of initiating new and improved sea-based intermodal services in close co-operation with relevant stakeholders in the private and public sector. Besides, the project will promote the use of suitable and compatible information systems. Finally, the project will also address the issues of polycentric port scenarios and framework conditions for short sea shipping.

### Questions to stakeholders

1. *Do the five main transport axes highlighted in the High Level Group (HLG) report, in your view, represent the main axes for international traffic and what you add/delete, if given the opportunity and why?*

Please note that our response under this item will concentrate on the Northern dimension. The NMC II-project appreciates that the HLG-report has designated a Northern axis connecting the northern EU with Norway and with Russia and beyond. The same goes for the recommended extension of the MoS of Western Europe towards Norway in the North. These extensions of the TEN-T are very much in line with the aims and positions of the NMC project, as also stated in previous responses to Commission consultations. We also welcome the foreseen connection to the Barents region, linking Norway via Narvik through Sweden and Finland with Russia.

We do however note that the map does not extend the MoS network all the way to the Barents region and to North West Russia. This would in our opinion have been a natural and logical consequence of the recommendations of the HLG-report. We would thus recommend that the Northern Maritime Corridor is defined as a MoS to the Barents region – becoming the Motorway of the Northern Seas. In line with this, it would also have been natural to designate a MoS port in the Russian part of the Barents region. On the background of the fact that the central government in Moscow is planning a new container terminal in Murmansk, we see Murmansk as an obvious candidate as a MoS port in the Barents region.

The potential freight volumes in the axis between Central Europe and Arctic Russia is enormous for both bulk and containerised cargo. For further details on this, please refer to the NMC response to the TEN-T consultation in March 2005.

An additional axis, in particular when considering the Far East markets like China, is a freight corridor promoted by The International Union of Railways called the NEW Corridor (Northern East West Freight Corridor). This corridor is yet not in operation because of structural challenges especially the use of different gauge systems on the railway line between the port of Narvik in Norway and China. If the different structural barriers were removed it would however, in combination with the sea leg to Central Europe, represent an option that could stimulate Europe's trade to and from Asia.

- 2. The HLG report outlines a number of measures, on so-called **horizontal issues**, are these the most important ones and do the recommendations made by the Group help to solve the problems?*

As main rule, we welcome the horizontal measures recommended by the report as both important and efficient should they be fully implemented. In this response, we will however focus on the issues below.

#### MoS ports in neighbouring countries

Although we agree to the principle of cargo flow concentration to create a sufficient critical mass for MoS routes, we question the validity of the principle of "one port / port system per country per sea area" for MoS routes in Northern waters. The aim is to attract cargo away from roads to seaborne transport, and particularly in peripheral regions a consolidation of goods in a set of ports is more relevant than a strict concentration of cargo to a few ports. As for Norway, we believe that there is also a need to designate MoS ports along the North Sea Coasts (South of Trondheim) between Narvik and Oslo. Bergen or Stavanger could be potential MoS ports for North – South & West routes (UK), while Kristiansand could be a suitable MoS port for routes to the European Continent and to the Baltic Sea. It is also a concern that large ports eventually may have congestion problems both in fairways and on hinterland axis, implying that large ports and other ports eventually will have to function together in complementary roles.

#### European MoS Co-ordinator

Furthermore, we welcome the plans to designate a European Co-ordinator for the EU Motorways of the Sea. However, when the report recommends extending the MoS network to neighbouring

countries like Norway and Russia, we believe that also the external parts of the MoS network should be covered by the remit of the mentioned Co-ordinator. Besides, given the complexity of the MoS instrument in terms of intermodal interchanges and multi-actor interaction, we request the Commission to consider whether one MoS Co-ordinator should be designated for each sea area. This is also the position of the CPMR.

#### Promoting seamless traffic across borders – amending the customs regime for sea transport

In general we welcome the recommended measures to remove non-physical barriers in order to achieve the aim of seamless traffic across borders. We thus support the adoption of the five IMO FAL forms now in use in the EU with the aim of replacing all existing documents by 2008.

Even if the IMO FAL forms should be adopted, there would still be a huge difference between road and sea transport in terms of customs regime – a difference which is disfavouring sea transport, particularly short sea shipping. We note that the EU & EEA area is not an area without borders for sea transport, as opposed to the principle for rail and road transport. This is much due to the fact that when a ship is leaving a port it will enter international waters with its own regime. Therefore, in order to counterbalance the disadvantage of short sea shipping under the current customs regime, it is urgent to establish a regime whereby the short sea shipping waters within EU and EEA area are recognised as one internal area in line with what already applies for road and rail. Such a regime would have positive impacts on costs as well as on lead time and regularity, improving the competitiveness of sea transport in relation to road. With modern reporting and surveillance tools, like the AIS system combined with other systems, the control means are appropriate for sea area as well.

3. *How can the implementation of these axes and horizontal measures be best **financed**?  
What could be the role of the private sector and  
the user charges?*

#### Framework conditions for maritime transport

We believe that the report should have put stronger emphasis on the need to improve the framework conditions for maritime transport under chapter 7 – financing options.

Analyses show that sea transport pays up to 200 % of the societal costs (infrastructure costs, environmental costs etc.) while rail transport and road transport pays something around 15 – 40 % of the societal costs. It is a major challenge to balance this discrepancy, in line with the White Paper's aim of user paying the costs. We would therefore welcome a system of infrastructure charging whereby tariffs vary according to the costs caused by the use of the transport system. Such a system would inevitably entail higher charges on road traffic and lower operational charges on ships. However; we would warn against a pure distance based scheme for heavy goods vehicles as this could disadvantage freight transport in remote areas without access to rail and sea transport. The relative lack of congestion caused by lorry transport in remote areas should be "compensated" in the calculation of tariffs. Furthermore, road based feeder transport to ports or rail terminals should also enjoy substantially lower tariffs than what would follow from a pure distance based charging scheme. In order to counter-balance this structural disadvantage of maritime transport, the Commission should consider introducing a principle of cross-subsidy,

whereby tariffs collected from road traffic could be used to fund maritime infrastructure like ports, intermodal terminals and ships. We refer to previous statements from the NMC project with arguments in favour of the ship being recognised as maritime infrastructure in line with ports and terminals.

4. *For the implementation and coordination of the recommended actions, the report calls for either a memorandum of understanding or an international agreement – do these help to achieve the objectives? If not, how would you ensure the implementation and coordination of the actions?*

Under this item we would like to focus on co-ordination and co-operation mechanisms for the implementation of Motorways of the Sea – MoS.

#### The case for establishing a MoS Task Force for the North / Northern Seas

The NMC II project would like the member states in the North Sea Region to initiate the establishment of a MoS Task Force for North / Northern Seas. The main aim of such a Task Force should be to work out a framework or Master Plan for the development of the MoS concept in these waters. The NMC II project supports and is ready to contribute to initiatives taken by the Member States in this regard. We believe that the NMC corridor constitute a relevant framework, including a comprehensive partnership of public and private actors, on which a MoS network in the North / Northern Sea could be based.

On behalf of the NMC II project,

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