



Committee of the Regions

COTER-V-045

105th plenary session, 30-31 January 2014

OPINION

NAIADES II package

THE COMMITTEE OF THE REGIONS

- **welcomes** the NAIADES II package and fully endorses the Commission's efforts to re-invigorate the inland waterway sector;
- **notes** the role that local and regional authorities can play in better integrating inland waterway transport-based logistics into their Sustainable Urban Mobility Plans;
- **cautions** against inland waterway transport being considered in isolation from other transport modes, and **believes** that increasing the interconnectivity of inland waterway transport with other modes will help in strengthening the entire sector;
- **suggests** that local and regional authorities could contribute to the application of innovation in the sector by supporting adapted innovation policies and tailored use of resources and financial instruments;
- **supports** efforts on greening of the fleet and reducing air pollutants and underlines that the approach should be technology neutral from the perspective of engine technology and fuel choice and must have the best cost-benefit ratio;
- **suggests**, that a determination of the possible energy and carbon benefits in greening the fleet requires careful assessment taking account of the age of the vessel, the performance of the current engine and the loading characteristics of the vessel, as well as, an understanding of the large embodied energy required in providing new engines; in this regard requests that an increased effort be made to improve the economic feasibility and standardisation of retrofitting equipment to reduce costs and improve emissions from all existing vessels;
- **suggests** that for NAIADES II to be more effective, the European Commission, if necessary in conjunction with the resources under the PLATINA platform, develop a clear roadmap for implementation, with targets and milestones and with a more coherent approach to sourcing financial and other resources;
- **favours**, where practical, the integration of appropriate information streams of other modes of transport into the River Information Services (RIS)

Rapporteur

Brian Meaney (IE/EA), Member of Clare County Council and Mid-West Regional Authority

Reference documents

Communication from the Commission: "Towards quality inland waterway transport – NAIADES II"
COM(2013) 623 final

Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 718/1999 on a Community-fleet capacity policy to promote inland waterway transport
COM(2013) 621 final

Proposal for a Directive of the European Parliament and of the Council laying down technical requirements for inland waterway vessels and repealing Directive 2006/87/EC of the European Parliament and of the Council
COM(2013) 622 final

Commission Staff Working Document: "Greening the fleet: reducing pollutant emissions in inland waterway transport"
SWD(2013) 324 final

Opinion of the Committee of the Regions – NAIADES II package

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General comments

1. **welcomes** the NAIADES II package as a logical follow-on from NAIADES I, which was the first integrated approach at EU level for the development of inland waterway transport; fully endorses the Commission's efforts to re-invigorate the inland waterway sector and increase its share of total transport so that it is used to its full potential;
2. **supports** the prioritisation by the Commission of a modal shift from road to rail, inland waterway and maritime transport, whilst at the same time insisting on the internalisation of external costs of all modes;
3. **advocates** the development of the inland waterway transport sector and believes that it offers a means to tackling the problem of congestion on the roads; and **considers**, by virtue of its safety record and environmental impacts, that it is a reliable, safe and sustainable mode of transport;
4. **highlights** the role that local and regional authorities play in land-use and transportation planning, whereby effective spatial planning can facilitate the bundling of economic activities, create integrated clusters which reduce the need for transport movements and make multi-modal transport a more attractive option; furthermore **recognises** the importance of transport infrastructure to regional economic development and the role that inland ports play as economic hubs and the contribution that waterways make in reducing congestion at seaports and on other transport systems, **wishes to highlight** that local and regional authorities bear significant costs in terms of developing and managing key infrastructural assets and must be central in efforts to maximise the use of the capacity of inland waterways;
5. **recognises** that, unlike other transport routes, inland waterways not only serve transport needs they are also significant in terms of water supply, flood protection, energy generation, recreational and tourism use, as important ecosystems and have an agricultural and fisheries function; in this regard **encourages** the inland waterway transport sector to maintain its leading position as an environmentally friendly mode of transport and continues to maintain a proper balance between its activities and the other (sometimes competing) functions of the waterways;
6. **supports** public interventions to improve the sector's operating conditions, infrastructure, environmental performance, innovation and integration into the logistics chain and **believes** that whilst inland waterway transport is liberalised and operates in an internal transport

market such public investment can be justified given the significant impact of the economic crisis on the sector and the socio-economic and environmental returns it generates;

Subsidiarity and proportionality

7. **considers** that the NAIADES II package complies with the principles of subsidiarity and proportionality;

Specific comments on the communication

8. **agrees** with the Commission's general assessment of the inland waterway sector: the predominance of owner-operators and the fragmented nature of supply; its weakening position in relation to other transport sector operators and its long and steady decline in modal share compared with road transport; the overcapacity and resultant price competition; its inability to reinvest and innovate; plus the limited progress in addressing key infrastructural gaps and bottlenecks and the loss of competitiveness that the slowdown in the EU economy has brought to the sector;
9. **endorses**, therefore, the key areas of intervention of NAIADES II and its objective to make the inland waterway sector a quality mode of transport, well-governed, efficient, safe, integrated into the intermodal chain, with quality jobs and a skilled workforce and adhering to high environmental standards; fully **believes** that the inland waterway sector can make a significant contribution to, and must be sufficiently embedded in, European transport policy;
10. **suggests** that what is now required is full commitment from the Member States to follow through on key objectives, as well as for the inland waterway sector to take a more proactive and coherent approach to addressing some of the fundamental weaknesses of the sector;
11. **recognises** the shortcomings of NAIADES I and **suggests** that for NAIADES II to be more effective, the European Commission, if necessary in conjunction with the resources under the PLATINA platform¹, develop a clear roadmap for implementation, with targets and milestones and with a more coherent approach to sourcing financial and other resources;

(a) *Quality infrastructure*

12. **cautions** against inland waterway transport being considered in isolation from other transport modes, and **believes** that increasing the interconnectivity of inland waterway transport with other modes will help in attracting greater market share and strengthen the entire sector;
13. **welcomes** that inland waterways have been embedded in six of the nine core network corridors of the TEN-T and hopes that the implementation and governance structures for these

¹ PLATINA – the platform for the implementation of NAIADES, funded under FP7.

corridors will be sufficiently representative of all modes and that the potential and specificity of inland waterways transport will be adequately recognised in the TEN-T networks, so that key inland waterway bottlenecks and missing-links are suitably addressed;

14. **hopes** that the long-term commitment to the core and comprehensive network goes some way to providing a stable legislative framework which should help in attracting new investment into the inland waterway transport sector;
15. **encourages** the relevant Member States, in conjunction with local and regional authorities and other relevant stakeholders, to follow-up on commitments and submit the detailed proposals for inland waterways and ports projects to the Commission so that they could benefit from the Connecting Europe Facility (CEF) as well as from a potential increase in the co-financing (up to 40%) available for such projects; **considers** that both hard infrastructure but also soft infrastructural investments will help the sector realise its potential;
16. calls on the Member States concerned to continue to take due account of inland waterways in the development of investment frameworks and state planning instruments and to take steps to implement existing commitments, in order to support the establishment and development of regional centres of economic activity;
17. **highlights** the importance of ensuring that smaller fairways are maintained and up-graded, where relevant for navigation purposes, in order to maintain a comprehensive network and also to ensure that smaller operators in the sector remain viable;

(b) Quality through innovation

18. **recognises** the lack of an innovation culture and the underlying reasons for this in the inland waterway sector and agrees with the Commission that the sector needs to take ownership of the RDI agenda, identify future priorities and be more proactive in exploiting opportunities;
19. **suggests** that local and regional authorities could contribute to the application of innovation in the sector by supporting adapted innovation policies and tailored use of resources and financial instruments;

(c) Smooth functioning of the market

20. **supports** efforts by the Commission to reduce fragmentation and encourage synergy between market players; recognises that certain rules applying to the inland waterway sector are set at regional or national level and considers that the Commission, taking into consideration the principle of subsidiarity, will have to find as much flexibility as possible in the process towards harmonisation;

21. **supports** the internalisation of external costs for all modes of transport but that this should not be used as a means to increase transport costs; **considers** that by calculating the correct price of externalities each transport mode will be more comparable, which could lead to the use of more environmentally friendly modes, motivate the sector to address external costs and would specifically benefit waterway transport;
22. **feels**, on the other hand, that infrastructure charging for new or to maintain existing infrastructures needs to be carefully considered, as this would be an additional financial burden on inland waterway transport and the issue of charging other users of waterways would also have to be addressed;
23. **notes** the Commission's proposal to assess the barriers to the development of inland ports and would welcome further consultation on this with local and regional authorities concerned, before resorting to legislative procedures;

(d) Environmental quality through low emissions

24. **supports** efforts on greening of the fleet and reducing air pollutants and underlines that the approach should be technology neutral from the perspective of engine technology and fuel choice and must have the best cost-benefit ratio;
25. **suggests**, however, that a determination of the possible energy and carbon benefits in greening the fleet requires careful assessment taking account of the age of the vessel, the performance of the current engine and the loading characteristics of the vessel, as well as, an understanding of the large embodied energy required in providing new engines; in this regard requests that an increased effort be made to improve the economic feasibility and standardisation of retrofitting equipment to reduce costs and improve emissions from all existing vessels;
26. **considers** that there is currently a lack of incentive, either through legal instruments and/or financial measures, for the inland waterway sector to tackle emissions reduction effectively; the CoR therefore advocates an integrated approach, allowing a number of funds such as LIFE+, TEN-T and Horizon2020, to be used for the greening of the inland waterway fleet; and looks forward to the Impact Assessment on the different options being considered for emissions limits for large and small, existing and new vessels to tackle atmospheric pollution at source;
27. **questions** the assumption in the Staff Working Document that LNG² is the only solution to air quality emissions and the seeming ease in the transferability of technology solutions from one transport mode to another, when there is still some debate as to the most appropriate technological solution for the sector to comply with standards; **considers** that LNG is a

² Liquefied Natural Gas (LNG).

promising option, but is only one option and that the implementation timeframe seems to be unrealistic;

28. points out that it will be difficult to support the development of environment-friendly inland waterway transport unless the stakeholders themselves are properly involved;

(e) Skilled workforce and quality jobs

29. **supports** the approach proposed by the Commission to improve the skills and qualifications in the sector, which should improve labour access and mobility, improve safety, raise quality of jobs and create a level playing field;

(f) Integration of inland waterway transport into the multimodal logistic chain

30. **notes** the role that local and regional authorities can play in better integrating inland waterway transport-based logistics into their Sustainable Urban Mobility Plans;

31. **favours**, where practical, the integration of appropriate information streams of other modes of transport into the River Information Services (RIS); recognises that while there are issues regarding: (a) the sharing of information that maybe commercially sensitive; and (b) the burden for operators in investing in intelligent transport systems nonetheless believes that a modified RIS could be a valuable tool for supply-chain management, optimising cargo flows and reducing costs and emissions;

32. **looks forward** to the outcomes of the on-going evaluation of RIS and hopes that the Commission will be in a position to propose amendments to the RIS Directive, as the Committee considers that intelligent transport systems (ITS) are an important element in helping to facilitate efficient intermodal transport, the smooth functioning of inland waterways and reducing administrative burdens including complex cross-border requirements between EU and non-EU states;

Governance

33. **supports** the intention to have a new approach to governance of the inland waterway sector to address overlaps in legal provisions and competences; in this regard welcomes the signing of the Administrative Arrangement between DG MOVE and the Central Commission for Navigation of the Rhine (CCNR) providing a framework for enhanced cooperation to support the development of the inland navigation sector; **looks forward** to the establishment of similar agreements with other river commissions;

34. **encourages** the inland waterway transport bodies to strengthen coordination to improve how the sector is represented and to take direct responsibility for some of the objectives of the NAIADES II package;

35. **highlights** the potential that the EU Strategy for the Danube Region (EUSDR) presents in terms of integrated development and governance of a river basin and **considers** that implementation of the EUSDR could greatly improve waterways transport on the Danube which has considerable capacity to increase traffic volumes;

Financing

36. **notes** that there are a number of references to various EU funding programmes in the communication (ESF, CEF, Horizon 2020) but it seems there is not a coherent or systematic approach as to how these funds will help deliver on objectives;
37. **requests** the Commission to produce its proposed Staff Working Document (SWD) on NAIADES financing as a matter of urgency; **recommends** that as well as identifying and quantifying the investment needs of the inland waterway sector that some attention is also given to providing clear guidance to the sector to access funding and that this SWD will be a useful contribution to the roadmap for implementation (proposed in Point 11 above);
38. **considers** that the European Structural and Investment Funds can support key objectives of NAIADES but has some concerns that the core indicators to measure the results of these Funds, and the ERDF and Cohesion Fund in particular, only relate to road and rail infrastructure which would seem to incentivise investment in these modes over inland waterways, where such options are available;
39. **notes** the reference to financial instruments and considers that there is some scope for European Investment Bank financing to be applied to the inland waterway sector;

Specific comments on the Proposal for a Regulation

40. **supports** the rationale for the proposed amendment to the Regulation on a Community-fleet capacity policy, which if effective will make it easier to deploy the Reserve Fund and to use it on additional measures to promote inland waterway transport in line with the objectives of NAIADES II;

Specific Comments on the Proposal for a Directive

41. **supports** the objective of the proposed Directive to separate technical standards from procedural aspects which should streamline the process for up-dating such standards as well as bring greater clarity and transparency for the sector;
42. **supports** the pragmatic and flexible approach proposed whereby there will be reduced requirements or partial application of technical requirements for particular zones (Member States) based on the nature of their inland waterways;

II. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1
COM(2013) 621 final
Recital 2

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
In connection with the modernisation and restructuring of the fleets, social measures should be envisaged to help workers who wish to leave the inland waterway industry or to retrain for jobs in another sector, together with measures to encourage the establishment of groupings of undertakings, improve operators' skills and promote the adaptation of vessels to technical progress.	In connection with the modernisation and restructuring of the fleets, social measures should be envisaged to help workers who wish to leave the inland waterway industry or to retrain for jobs in another sector, together with measures to encourage the establishment of groupings of undertakings, improve operators' skills and promote the adaptation of vessels to technical progress, <u>as well as their innovation, in view of making them more environmentally friendly.</u>

Reason

Recital 2 of the Regulation refers to adaptation of vessels to technical progress. The Committee of the Regions proposes to include reference to innovation concerning the objective of making vessels more environmental-friendly, which is one of the key objectives of NAIADES II.

Amendment 2
COM(2013) 621 final
Article 1

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Article 8 of Regulation (EC) No 718/1999 is replaced by the following: "Article 8 Without prejudice to Article 3(5), any Member State may take measures in particular to: – make it easier for inland waterway carriers leaving the industry to obtain an early retirement pension or to transfer to another economic activity, – organise vocational training or retraining schemes for crew members leaving the industry, – improve skills in inland navigation in order	Article 8 of Regulation (EC) No 718/1999 is replaced by the following: "Article 8 Without prejudice to Article 3(5), any Member State may take measures in particular to: – make it easier for inland waterway carriers leaving the industry to obtain an early retirement pension or to transfer to another economic activity, – organise vocational training or retraining schemes for crew members leaving the industry, – improve skills in inland navigation in order

<p>to safeguard the development and future of the profession,</p> <ul style="list-style-type: none">– encourage owner-operators to join trade associations and strengthen the organisations representing inland waterway transport at Union level,– encourage adaptation of vessels to technical progress in order to improve working conditions and promote safety,– encourage innovation of vessels and their adaptation to technical progress as regards the environment."	<p>to safeguard the development and future of the profession,</p> <ul style="list-style-type: none">– supportencourage encourage owner-operators to join trade associations and strengthen the organisations representing inland waterway transport at Union level,– promoteencourage encourage adaptation of vessels to technical progress in order to improve working conditions and promote safety,– encourage innovation of vessels and their adaptation to technical progress as regards the environment." <p><u>Other measures may also be taken, once they comply and contribute to the objectives of the NAIADES package.</u></p>
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Reason

The Committee of the Regions would like to see the Reserve Fund being used proactively and to help realise the objectives of the NAIADES package. It also considers the word "encourage" to be too vague and should be replaced with stronger terminology to ensure a more proactive approach by the Member States.

Brussels, 31 January 2014

The President
of the Committee of the Regions

Ramón Luis Valcárcel Siso

The Secretary-General
of the Committee of the Regions

Gerhard Stahl

III. PROCEDURE

Title	Opinion on the NAIADES II package - Towards quality inland waterway transport
Reference(s)	COM(2013) 623 final COM(2013) 621 final COM(2013) 622 final SWD(2013) 324 final
Legal basis	Art. 91 TFEU (mandatory referral)
Procedural basis	Rule 39(a) of the CoR Rules of Procedure
Date of Council/EP referral/Date of Commission letter	Council referral 31.10.2013 EP referral 24.10.2013 Commission letter 10.9.2013
Date of President's decision	21 October 2013
Commission responsible	Commission for Territorial Cohesion Policy (COTER)
Rapporteur	Brian Meaney (IE/EA) Member of Clare County Council and Mid-West Regional Authority
Analysis	18 October 2013
Discussed in commission	17 December 2013
Date adopted by commission	17 December 2013
Result of the vote in commission (majority, unanimity)	Majority
Date adopted in plenary	31 January 2014
Previous Committee opinions	N.A.
Date of subsidiarity monitoring consultation	N.A.