

Motorways of the Sea Detailed Implementation Plan

SPC Spain Contribution

SPC Spain values very positively the approach and contents of the DIP and what is set in it in general and specifically about:

- *Its importance (of the SSS) lies in being a fundamental element of the TEN-T network, as MoS is largely contributing to road decongestion.*
- *The definition used for MoS is rather unclear and complex, which makes it harder to understand and explain the concept per se.*
- *There are certain limitations in terms of eligibility criteria under the MoS programme, for example in terms of the obligation to involve at least one core port and two EU Member States*
- *The upcoming revision of the TEN-T Regulation as a highly valuable opportunity that can help to better define and integrate the Motorways of the Sea programme in the wider TEN-T.*

And SPC Spain shares the suggestions that could help to shape a better future for MoS and the maritime priority of the TEN-T overall, such as:

- *Reshaping the concept of MoS to cover ports and shipping for the benefit of the entire 'European Maritime Space' which incorporates all elements of maritime infrastructure and which is directed towards a sustainable, smart and seamless transport network;*
- *Better integration of the entire transport flows, including sea bound and hinterland connection to ports;*
- *Introduction of a sea-basin approach which can help identify concrete objectives and qualitative targets to be reached based on the MoS adequacy concept.*

From the SSS specific experience in Spain, SPC Spain wants to make the following contributions:

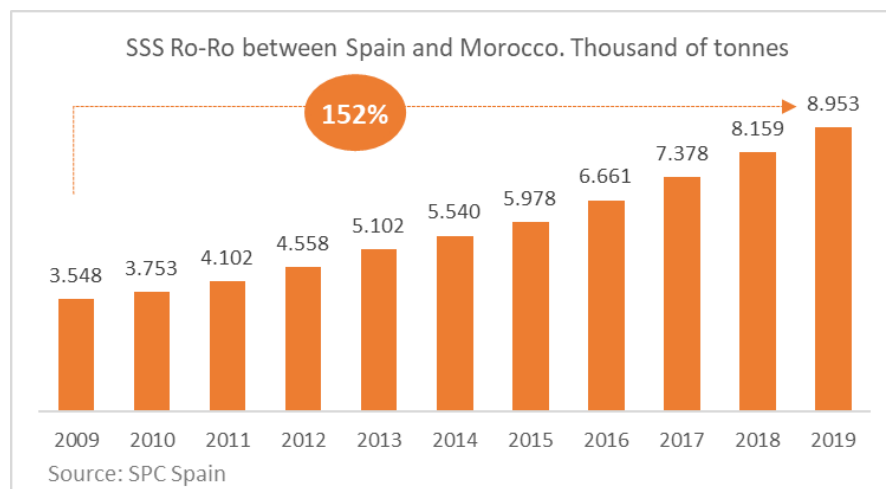
1. The regional approach of the MoS should have a clear and concrete translation in both the definition of the MoS and the funding priorities:
 - The West Mediterranean and Atlantic maps of the DIP document **should include** the ports of the Basic Network although they do not belong to any corridor (e.g. Gijón, A Coruña or Huelva), and those of the Global Network (e.g. Vigo, Motril or Almería), because now relevant present (o potential) SSS services from those ports do not appear (although the Vigo-St Nazaire MoS does appear).
 - The description of each basin is pivoted only on its quality of linking corridors or serving corridors.

The ports of the Global Network as well as ports of the Basic Network that do not belong to any corridor are already playing, and may play with more intensity in the future, a relevant role in the development of Shortsea Shipping in Spain, in the modal shift and in the configuration of the European Maritime Space. Therefore, both these ports, as well as their connections to the hinterland and the maritime services that link them, cannot be left out of the support and financing programs that are so necessary or more necessary than those of the CNC Basic Network.

2. In the analysis of the gap in the Western Mediterranean basin, it is said that: *Short sea trade in the area is mostly ro-ro traffic between the EU and North Africa. This traffic grew strongly before and after the financial crisis, but it is stagnating since around 2011 due to political instability in North African countries. El comercio marítimo de corta distancia en la zona es principalmente tráfico ro-ro entre la UE y el norte de África.*

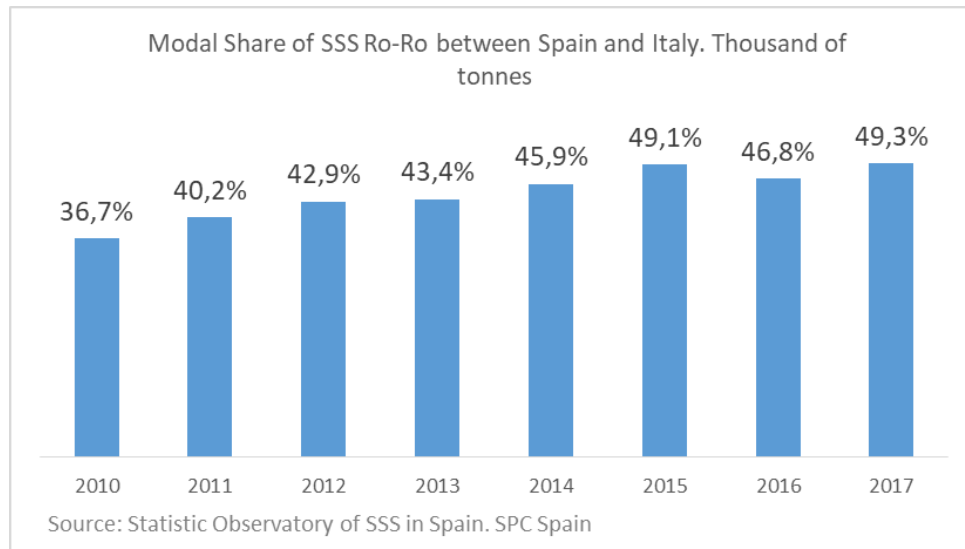
SPC Spain wants to show that ro-ro traffic between Spain and North Africa has been growing continuously in recent years, so that in the period 2009-2019 it has multiplied by 2.5. Prospects and forecasts indicate that this growth will continue in the coming years. This means that more SSS services linking with Morocco are needed (in fact, in recent years several ones have appeared from different Spanish ports), and the support and funding to also be part of the European Maritime Space. It is necessary to consider that these SSS services are part of European supply chains (not only Spanish), given the increasing interrelation of European companies (especially in sectors such as the automotive, textile and others) with the North of Africa, especially with Morocco.

Therefore, the mentioned need for infrastructure developments such as Ro-Ro terminals should not be delayed to a later future like mentioned in the DIP. The need will be in the short term. The maritime links from Morocco to Northern Europe have a huge positive impact on many fronts such as reducing the congested bottleneck of the Gibraltar Strait and offloading the European roads of trucks.



In the analysis of the gap in this basin, the numerous ro-ro services between Italy and Spain are not mentioned, those that transport nearly 50% of road freight flows between

the two countries, and therefore can be considered a success story of how the Motorways of the Sea are integrated into the transport system and make it more sustainable.



3. In the analysis of the gap in the Atlántic basin, it is said that: *Due to the longer sea distances, part of the current truck and trailer ferry traffic could be shifted to container traffic and new container terminal capacities may be needed.*

As Brexit approaches, the traffic from UK to peripheric European regions such as Spain will have an increasing strategic importance for Europe. SPC Spain considers that Brexit may induce the need for more ro-ro links between Spain and the UK and Ireland (in fact, a line between northern Spain and Ireland has recently entered service), and the corresponding support and financing to also be part of the European Maritime Space. As an example, the Dublin container port is currently very congested and is expected to increase considerably its traffics with Brexit, as it might become the entrance/exit door to the UK. Estimations are that doubling its capacity will still fall short in the next 5 years.

Following the congestion argument, maritime links with peripheric regions such as those in the Atlantic Corridor (connecting EU islands and neighbouring countries like the Canary islands & Morocco) have a much larger positive impact as the amount of modal shifted Tn*Kms is much larger. The development of the Atlantic Corridor relies much more on aid support than others like the Mediterranean precisely because of its peripheric component.

4. It is necessary, although not sufficient, to maintain the current incentives for MoS projects in the areas of sustainability, digitalization, and maritime-terrestrial interconnectivity.

We believe the 30% MoS Grant will not be enough if not applied to shipping operating costs or to incentivize the demand (i.e. 30% freight tariff subsidy to the clients using the service). This demand linked grant could be managed by the ship operators and supervised by the control authorities.

5. **Sustainable** *European Maritime Space:*

Sustainability leads to an increase in CAPEX, OPEX or both, which makes the SSS less competitive and attractive compared to the only-road chain alternative. Penalizing the SSS could lead to a return of cargo to the road, with the consequent net increase in CO2 emissions (contrary to the intended objective). Financial support is essential to advance sustainability.

Additionally, SPC Spain considers that when establishing new maritime transport regulations, both in the EU and IMO, the exceptional nature of the SSS must be analyzed in order to avoid a transfer of cargo to the road, with the consequent net increase in CO2 emissions and external costs (objective contrary to the one intended).

The promotion of eco-incentives for operating services, in line with the Med Atlantic Ecobonus project, can be an option. But the **Med Atlantic Ecobonus Action**, led by Spain and in which SPC Spain has participated, needs to clarify two issues:

- Its implementation formula and the requirements to access the Med Atlantic Ecobonus program. The entire effort could be wasted if it does not serve the stated objective: a more sustainable transport system.
- Its funding formula.

It is important to note that the Med Atlantic Ecobonus Action is still in the proposal phase, and that it requires consensus at the level of the Member States and within the European Commission for its implementation.

6. **Seamless** *European Maritime Space, promoting modal shift.*

SPC Spain considers that the focus is placed on the needs of port infrastructures and connections with the hinterland, a necessary but not sufficient condition for modal shift. It is necessary to consider the need for competitive port services, as well as the price paid for the use of infrastructure. Without competitiveness there is no modal shift. The regular SSS and MoS services make numerous calls per year (365 in the case of a daily service). The weight of the call cost in the income statement is very high, as well as the needs in terms of flexibility and agility in the provision of services that allow short calls and high productivity to increase the rotation of ships.

7. **Smart** *European Maritime Space promoting the adoption of digital tools in the sector.*

The European Single Maritime Window and the acceptance at EU level of electronic

transport documents are a pressing need for, among others, reduce the negative effects of the so-called “infected ships” of high incidence in the case of services that triangulate between Spain, Italy and Morocco, for example, and soon, with Brexit, for services calling the UK.

8. SPC Spain fully supports that MoS needs financial incentives through grants to attract private funding. In fact, funding gaps that cannot be easily covered by other means require grants from the MoS. As a result, a robust financial framework must be ensured in the next multiannual financial framework 2021-2027.
9. SPC Spain considers the need to promote specific monitoring indicators (supply, demand and modal split¹) at a European level, similar to those collected in the Spanish SSS Statistical Observatory (<http://shortsea.es/index.php/observatorio-estadistico>).

10. Covid-19: This pandemic is having a humongous impact in our industry. To survive the shipping operators will urgently require liquidity support to re-launch the services which are currently on hold and might suffer continuous temporary suspensions during the coming years, depending on how the pandemic develops. Aid will be necessary also in the longer term to support their future sustainability. Not only to support what are strategic EU logistics channels, but also to protect all the European jobs they entail.

¹ For maritime regular services, both Ro-Ro and containers