

ECSA position on the EU-US Transatlantic Trade and Investment Partnership negotiations

ECSA welcomes the EU-US Transatlantic Trade and Investment Partnership (TTIP) talks and hopes for an ambitious agreement, taking maritime transport duly into account.

1. More trade = more transport

ECSA supports the liberalisation and promotion of EU-US trade, both in services and in goods. **Increase in trade means increase in transport.** Harmonisation of the EU and US markets will be a key element to stimulate the Trans-Atlantic trade and ECSA is therefore pleased to see the commitment from the EU and US sides to look at this. In this respect ECSA much welcomes the statement of the EU Trade Commissioner Karel De Gucht emphasising that this is what will make the TTIP different from traditional trade agreements: "Our main ambition - beyond simply reducing tariffs across the board - is to make the EU and the US regulatory systems more compatible and to help shape global rules in trade."¹

ECSA would like to see commitments regarding maritime transport services included in the TTIP agreement. **A trade agreement without commitments on maritime transport cannot be an option, trade and transport being extremely interlinked.** By increasing the efficiency of transport operations, the efficiency of trade will also increase, and more efficient trade will stimulate trade operations.

2. Market access and legal certainty

Today, EU shipowners can enjoy the largely liberalised international maritime transport market in the US, and vice-versa. However, this free market access is the result of national/regional legislation and international practice but is not reflected in a bilateral or international binding agreement. Therefore, **inscribing commitments at existing levels would already bring legal certainty.** This includes access to each others' ports, once in ports the right to receive equal treatment with regard to port services, as well as the right to establish wholly owned subsidiary offices and the right to move personnel across the Atlantic Ocean to work in the branches or head offices without unnecessary restrictive procedures. Beneficiaries of these commitments should be the shipping companies established inside the EU/US; or shipping companies established outside the EU/US and controlled by nationals of a Member State/US, if their vessels are registered in that Member State/US and carry its flag (in sum: EU or US operated vessels).

3. TTIP as a model for further bi- and multilateral trade agreements

Shipping is a truly international business. In many domains it enjoys international rules, stemming from for instance the IMO and ILO. With regard to market access and trade liberalisation this is however not the case. ECSA would like to see global rules also with regard to these elements. Having to comply with different rules around the world highly hampers the efficiency of transport and of trade as such. **ECSA is therefore a strong supporter of a global agreement on liberalisation of services,** both for reasons of simplification and legal certainty as well as to address those trade barriers that still exist for

¹ <http://trade.ec.europa.eu/doclib/press/index.cfm?id=969>

maritime transport services. The Trade In Services Agreement negotiations are seen as a very valuable step towards a WTO agreement. ECSA is of the view that a meaningful **TTIP can set the scene** and influence the ongoing TiSA negotiations. Disciplines agreed in the transatlantic context could serve as a model for subsequent negotiations involving third countries, whether in a multi-, pluri- or bilateral exercise.

4. Intensify cooperation on trade facilitation and security

Trade facilitation is one of the tools that help to stimulate trade; ECSA therefore calls for specific attention for this element. The efficiency of a maritime transport operation depends on a number of elements, including on what happens with the vessels and cargoes once in port. Customs procedures, port services, sanitary, phyto-sanitary and other checks can be the consequence of international, regional, national or local rules. EU shipowners are always promoting international rules, but even then these can be interpreted and implemented in different ways. Therefore, **ECSA would welcome a TTIP which allows for cooperation on national, local and international rules (and their implementation) such as the above mentioned in order to create more transparency, better understanding and, ultimately, convergence of the rules.** An example of trade facilitation would be the prompt ratification of the international Convention on the Carriage of Goods (wholly or partly) by sea (“the Rotterdam Rules”) by both the US and MS. The Rotterdam Rules will indeed provide for legal certainty and uniformity on cargo liability at international level and they will modernise the current rules on carriage of goods by sea, not only by covering the traditional “tackle-to-tackle” and “port-to-port” carriage of goods but also by covering “door-to-door” transport. Another domain where considerable steps can be taken to improve the business environment is a common approach to security. The US’ 100 percent scanning of containers rule is very different from the EU’s risk based approach. This diverging approaches result in a more complicated business environment without clear security gains.

5. Cooperate closer on environmental and safety policy

EU shipowners are committed to a sustainable performance. Environmental and safety rules, whether emanating from the international, regional, national or local level, are having a big impact on the business model of shipowners. Trade is made more complicated, expensive and burdensome because of regulatory differences regarding safety and environmental protection. Therefore, **the EU and US are encouraged to work closer together towards workable international conventions and to find realistic and workable solutions in an international context**, such as the IMO where in practice the EU and US are important demanders today. Regional legislation should be avoided. Rather the EU and US should use their intensified contacts following the TTIP to ensure global harmonisation of safety and environmental standards.

6. Liberalisation of international maritime transport services

EU shipowners’ main and primary concern is the liberalisation of international maritime transport services. The US, and many other States around the world, have cabotage (maritime transport operations within one country) restrictions in force. EU shipowners do not consider such restrictions on domestic cargoes a major barrier to the EU-US trade. Their main concern relates to the **delivery of the international cargo**. Today’s reality of optimising logistics operations, transport patterns and increased ship size, means that very often the international cargo must be transhipped from one vessel to another (often

smaller vessel) in order to reach the end destination as smooth and cost-effective as possible. Due consideration and a constructive dialogue on enhanced flexibility, for instance more possibilities for waivers, and simplification of the procedures of the feeding of international containerised cargoes and international relay of cargo must therefore be considered. An open and constructive approach to the dredging market must be part of that discussion.

7. Offshore services

As underlined in the 'initial EU position paper on raw materials and energy'², 'EU and US companies will remain dependent on open markets to source significant parts of their (raw materials) and energy needs far into the future'. Energy resources are increasingly harnessed at sea. ECSA members provide a large part of the highly specialised service vessels needed for the offshore industry and the transportation of energy products. This is a fast developing market segment where European companies offer the most advanced technologies. They are by consequence consulted throughout the world and seek free market access and non-discriminatory treatment. ECSA believes that **by committing to free trade in offshore energy services the parties to the TTIP negotiations would attain benefits such as lowering costs related to offshore energy extraction, promoting industrial innovation and maintaining the competitiveness of their domestic offshore service providers.**

Conclusion

ECSA supports the work towards a TTIP that will stimulate EU-US trade and will set an example for international trade liberalisation. Maritime transport services should not be neglected as transport remains the backbone for international trade and continues to provide new opportunities for both the EU and US. Likewise, the offshore energy services with their impact on energy provision merit attention.

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The European Community Shipowners' Associations (ECSA) is the trade association representing the national shipowners' associations of the EU and Norway (close to 99% of the EEA fleet or about 20% of the world fleet). Our aim is to promote the interests of European shipping so that the industry can best serve European and international trade and commerce in a competitive free enterprise environment to the benefit of shippers and consumers and help formulate EU policy on critical maritime transport-related issues. The ECSA membership comprises all trades, meaning dry bulk vessels, tankers, container vessels, cruising and ferry, specialised cargo vessels, vessels specialised for the offshore energy market, etc. ECSA members are involved in both EU-third country trades as well as in "cross-trade", meaning for instance US-China trade.

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² <http://trade.ec.europa.eu/doclib/press/index.cfm?id=943>