



BALTIC PILOTAGE AUTHORITIES COMMISSION

Report on the conference

28 – 30 May 2001
Oslo, Norway

The BPAC Secretariat
Copenhagen

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Report

Open session

All delegates

Agenda Item 1: Opening of the Conference

Head of Department Eirik Sire from the Norwegian National Coastal Administration gave a warm welcome to the conference and wished all the delegates welcome to Oslo and the first BPAC conference held in Norway. He especially focused on the importance of the BPAC body as a forum where pilotage authorities can meet and discuss matters of mutual interest.

BPAC Chairman Mr. Tomas Bök. also welcomed the 9th conference and gave his thanks to Norway for hosting the conference.

The agenda was then adopted.

Agenda Item 2: Report from the Secretariat

Mr. Martin Richter informed the delegates that Mr. Torben Frerks, Secretary General of the BPAC since 1995, started a new job per 1 May. Mr. Martin Richter expressed his willingness to act as Secretary General until Mr. Frerks' successor is appointed.

Further Mr. Richter pointed out that the agenda for this year's conference has been divided into an open and a closed session for members only.

As a follow-up on last year's speech on Reorganisation of the Dutch pilotage system, the Secretariat had invited Mr. van der Meij from the Dutch Ministry of Transport to attend this conference. Due to a heavy workload Mr. Meij was not able to participate, but has offered his attendance in 2002.

- BPAC web site

The BPAC secretariat advertised for the BPAC web site and gave a brief information on how to find it and how to log on to "members only" by using *www_bpac* as id, and *2sail* as password. The web trends report for the period 1 January – 26 May shows a total number of hits of 20825. Most active countries have been the US, Denmark, Norway and the UK.

The secretariat appreciates any contribution from the members in order to update or maybe extend the site. Inputs and suggestions are very welcome, the editor assured.

- **New IMO Resolution**

The IMO resolution A.485 from 1981 is divided in:

Annex 1 – *Recommendation on minimum standards for training and qualifications.*

The proposed amendments to this annex is made by the sub-committee on Standards of Training and Watchkeeping (STW)

and

Annex 2 – *Recommendation on operational procedures.*

The proposed amendments to this annex is made by the sub-committee on safety of navigation (NAV).

At the 32nd STW session in January, it was found that the proposal for a revised annex 1 concerning training and certification requirements is closely related to the operational procedures described in Annex 2.

It was of great importance to the delegates at the STW-session to complete the work on the revision of resolution A.485. Being aware, though, of the interdependence between Annex 1 and 2, the delegation decided to wait until NAV had finished their revision on Annex 2, before further acts are taken to finish the revision of Annex 1 in the STW.

Agenda Item 3: Mutual information about plans and development within the pilotage authorities in the member states since the last conference

Denmark:

Mr. Jens H. Hauschildt gave an overview of incidents in year 2000 in connection with pilotage with Danish pilots onboard. Out of a total of 18.666 piloted vessels there have been 11 incidents.

Estonia:

Mr. Lembit Mõtlük presented The Estonian report informing that year 2000 was the year of redevelopment. Estonian VTS was finished 31 December, and from the new century the Estonian Pilot started as a state controlled joint-stock company.

Approximately 19000 pilotages have been carried out to and from Estonian ports and archipelago area, which is an 8% increase compared to 1999.

Every year 6 Estonian pilots are trained at Ilawa training centre, but also training facilities at St. Petersburg Makarov Marine Academy and the Estonian Maritime Academy are used.

Estonian pilot launches are mostly old, but are slowly replaced with new pilot launches from Sweden and Finland.

In order to offer better information, a Register of Pilot Services is in progress, offering Internet ordering of pilots, pilot co-ordination and payment.

Estonian Pilot is dealing with two major problems or challenges, namely the fact that the average age of pilots is nearly 60 years, and the fact that their pilot launches are old.

Finland:

Mr. Markku Mylly presented the Finnish report on pilotage by showing statistics from 1990 – 2000. Finland has reduced the number of pilots from 361 in 1999 to 230 in 2000 – a reduction of 36,3%. Pilotage in total has in the same period increased with 1,1%. The efficiency of each pilot has increased with 58,7%. In 2000, each pilot carried out 143 pilotages, in 1990 the figure was 90. The piloted distance in 2000 was 701779, an increase of 5,8% in relation to 1990.

Finland has 4 VTS stations today. When fully developed, 90 % of the Finnish coast will be covered by VTS. The cost is estimated to 90 mill. FIM. A new decree on VTS is expected to be implemented presently.

Germany:

Mr. Martin Voswinkel gave the German statement and said that there is a process of gradual improvement or reform of the sea pilotage in Germany going on.

The first step, negotiations of wages with all concerned, has been completed after more than a year of harsh bargaining, including a pilot strike of several hours. As a result wages are now set to generate an income of 14.500 DM/month (+9,7%), a slightly raised average working time of 37,7 hours/week and in addition 2 days a year for training purposes.

Nevertheless pilot prices could be reduced by an average of 6%.

New is an on the job training scheme for regularly repeated courses, including simulator training every three years, introduced as a side effect of the above mentioned process.

As this – balanced – compromise is criticised by enterprises and pilots, the administration hopes a return to a fact orientated negotiation process for the next steps of the gradual reform will be possible. The introduction of a regional pilot-price committee as consulting body is under way.

English will be a criteria to put to discussion when applying for a PEC.

Norway:

Mr. Øyvind Starberg informed about education and retraining of Norwegian pilots.

He also gave a short information on the challenge Norway is facing in the shipping of coal from Svalbard (some 600 nautical miles north of Norway) with PANMAX vessels. Further he informed of the Norwegian interdepartmental workgroup, which is set up to suggest

appropriate measures in order to achieve safe navigation in the polar area around Svalbard.

Poland:

The Polish delegation informed about a new Act of 9 November on Maritime Safety resolved by the Polish Parliament, whereof article 36 of Chapter IV "Safe Navigation" is related to pilotage.

The delegation further informed that the Polish Ministry of Transport and Maritime Economy is working on two executive decrees, one of which concerns sea pilots' training and qualifications, the procedures for issuing pilot permission, specimen of pilots' licences and field of responsibility of the director of the maritime office for monitoring pilotage. The regulations are to be issued and adopted by the end of December 2001.

The work of the Ministry concerning mandatory pilotage within Polish territorial waters, especially on route "D", has been temporarily postponed. Information was given about the Polish VTS systems already working in the Pomorska and Gdańsk gulfs and about plans to extend the VTS system to cover the entire Polish coast.

Finally statistics were given showing the number of pilot operations in the Polish main ports in 2000. Gdańsk 5250, Gdynia 5315 and Szczecin 6513.

Russia:

Russia still does not have the national legislation, which determine the minimum requirements for training and qualification of pilots.

The pilotage services are established within the structure of maritime port administrations and do not observe the standards of training and qualification of pilots determined by IMO resolution A 485 (12) and EMPA charter on pilotage.

Harbour Master mr. Vasily Belyaev answered questions concerning changes since the last meeting.

After the closing of the conference the secretary received a letter of 13 June 2001 from the president of the Russian Maritime Pilot Association (RMPA) Captain V.I. Egorkin, explaining the pilotage situation in Russia. The letter is enclosed. (See **annex 3**).

Sweden:

Area Manager Ulf Svedberg delivered the Swedish report, informing that there has been a major change in the organisation of the Swedish Maritime Administration (SMA) last year. The Seatraffic Department has been divided into two:

- Planning and Regulations
- Production

This means that Planning and Regulations makes all decisions regarding PEC. The role of the pilots in this connection is reduced to be advisory only.

The Production includes the Seachart department and planning of building and construction of pilot boats, lighthouses, quays etc.

The number of Seatrafic Areas has been reduced from 13 to 8.

All major ships within SMA , such as icebreakers and working vessels, are now sorted under a new department called the Shipping Company, but still under SMA.

VTS

9 VTS centres have been installed - 1 in each Seatrafic Department, plus Marstrand, from where a pilot can be ordered.

A new web based pilot ordering program has been in operation since July 2000.

The Swedish coast is covered by an AIS network, monitored from all offices within SMA connected to the Intranet system.

Language

When applying for a PEC, the SMA has decided to accept the use of English language in any Swedish port.

Pilotage

During 2000, 225 pilots carried out 47.000 pilotages. 3 accidents took place due to an error made by the pilot.

The coverage of pilot costs is only 30 – 40 %. Smaller vessels have a coverage as low as 20%. From July 2000, the pilot fees were changed from a basis of distance to a basis of time. From July 2001 the pilot fees will be raised by 15%.

Education

All Swedish pilots have now completed a training course at Ilawa in Poland, and also a Bridge Resource Management course (BRM) at Arlanda Airport. A Transas simulator with 3 simulator rooms has been installed at SMA Training Center at Arkö. A database of all Swedish fairways will be built in the system to help the pilot maintain skills in infrequently navigated fairways, and to reduce the number of voyages before the pilot license can be issued.

Agenda Item 4:

Follow up on national initiative after the collision between M/V “Tern” and M/T “Baltic Carrier”

Germany has put forward a preliminary proposal on Compulsory Pilotage in the Baltic Sea off the German coast. The proposal is attached to this report (See **annex 4**). The proposal is also sent to the member states of the BPAC.

Mr. Richter outlined what has happened in the preliminary study group on compulsory pilotage set up in Germany in 2000 since the last conference.

The first steps had been taken to work out terms of reference for the group when a collision happened in Kadet Renden, which caused a heavy marine pollution.

After this collision the Danish Minister of Defence and Industry contacted HELCOM with a request to convene an extraordinary meeting of ministers for marine transport and marine pollution.

A group of experts represented by all maritime authorities in the Baltic States has been set up and started its work.

Compulsory pilotage in certain areas in the Baltic is at the top of the agenda for a ministerial meeting. It is therefore recommendable that all efforts be concentrated in HELCOM.

Denmark's new proposal that The Baltic Sea States introduce the necessary provisions about mandatory pilotage in their national legislation was handed out and discussed. (See **annex 5**)

Agenda Item 5:

AIS status in Norway

Mr. Kjell Arne Aarmo gave a brief look into the status of AIS in Norway, after a short overview of what AIS is. Implementation, technology possibilities, IMO objectives as a s/s collision avoidance, means for littoral states to obtain information about a ship and its cargo, as well as a VTS tool (shore to ship).

In Norway 2 AIS base stations covering the Oslo Fjord VTS area are put up.

A constellation of 37 base stations is within 2003 planned to cover the Norwegian coastline, using both military and commercial VHF infrastructure.

Agenda Item 6:

VTMIS plans for the Gulf of Finland

Mr. Markku Mylly presented information on the VTMIS in Gulf of Finland, starting with the goal, which is to develop VTMIS to the Gulf of Finland, approved by IMO, agree with neighbouring countries of common strategy on a ministerial level and to make a joint agreement with national maritime authorities to start preparations for IMO approval.

A report has been published in February 2001. A Memorandum of Understanding is sent to Russia and Estonia. The Ministry of Transport and Communication established a steering group in Finland. Working groups are established, and there will be a joint project meeting in Helsinki June 2001.

A study on environmental effects, legal matters and risk analysis is planned. An IMO approval is expected in 2003, and VTMIS should be operating in 2004.

There will be a lot of benefits from this system such as general improvement of shipping safety, environmental improvement, efficiency in pilotage, cargo information, icebreaking operations, identification of vessels, collisions and grounding avoidance and SAR-operations, to mention some.

Agenda Item 7: Statistics

Mr. Finn Wessel Jensen from the Danish delegation informed of the statistics on pilotage in the Baltic area including figures from 1997 to 2000 on reported pilotage in the three areas - east of Bornholm, west of Bornholm and the Gulf of Bothnia. The figures for 2000 are showing a minor decrease in the number of traffic in relation to figures for 1999.

Closed session (Authorities only)

Agenda Item 8: EU initiatives on free market access to pilotage

Mr. Javier Uzcanga, the EU Commission, gave a speech on the Commissions actions in the development of the European port policy including pilotage. (See **annex 6**).

The requirements for being a pilot should be left in the hands of national rules, recommendably following the standard requirements of IMO.

Agenda Item 9: Appointing new Chairman and Secretary General

Mr. Tomas Böök had announced his retirement from his job at the SMA in 2002. Mr. Markku Mylly was suggested new chairman, and was unanimously elected as chairman/president for the next four years. Mr. H.M. Richter took over the job as Secretary General after Torben Frerks, who has entered a new job outside the Danish Maritime Authority.

Agenda Item 10: BPAC member states participating in the group of experts preparing the meeting by ministers of marine transport and Marine pollution in September.

It was decided that the member states exchange views and papers and discuss with their national representatives in the expert group in HELCOM.

Papers from the expert group are dealt with electronically and requires a password to the HELCOM website.

It is important that statistics are available and include accidents in open sea.

- Agenda Item 11: Co-ordinated approach to IMO's handling of the revision of IMO Resolution A.485 at the NAV-subcommittee session in July 2001.**
It is important that the BPAC members make a contribution towards the NAV- subcommittee to push for a decision on the IMO Resolution A 485.
- Agenda Item 12: Date and place for the next conference**
Poland has offered to host the conference in 2002. The conference will take place in Gdynia, Poland in the beginning of June 2002. The exact date will be announced later.
- Agenda Item 13: Any other business**
Mr. Moritz Askildt, Secretary General of the Nordic Institute of Navigation, was allowed to give a short presentation of the work of the Institute. He also invited the BPAC members to participate in the next Global Navigation Satellite System (GNSS) Conference 27 – 30 May 2002 in Copenhagen.
- Agenda Item 14: Closing of the conference**
Mr. Martin Richter thanked the Norwegian delegation for hosting the conference and then closed the conference.

Annex 1**AGENDA****The BPAC conference 28-30 May 2001 in Oslo, Norway****Open session**

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|----|---|--------------------------------------|
| 1. | Opening of the conference | The Coast Directorate,
Norway |
| 2. | Information Report from the Secretariat
-BPAC website
-New IMO-resolution | The Secretariat |
| 3. | Information Mutual information about plans and
development within the pilotage authorities
in the member states since the last conference.
For example: statistics, legislation, VTS etc.
Approx. 15-20 minutes pr. member state | The delegates |
| 4. | Information Follow-up on national initiative after the
collision between m/v Tern and
m/t Baltic Carrier | The delegates |
| 5. | Information AIS status | Kjell Arne AArmo/
Norway |
| 6. | Information VTMS plans for the Gulf of Finland | Markku Mylly/
Finland |
| 7. | Information Statistics | The Secretariat/
F. Wessel Jensen |

Closed session (Authorities only)

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|-----|---|-------------------|
| 8. | Information Discussion EU initiatives on free market access to pilotage
BPAC strategy | EU-representative |
| 9. | Discussion Co-ordinated approach to IMO's handling of
the revision of IMO resolution A.485 at
the NAV-subcommittee session in July 2001 | |
| 10. | Discussion BPAC member states participating in the group
of experts preparing the meeting by ministers
of marine transport and marine pollution in
September | The delegates |
| 11. | Decision Appointing new Chairman and Secretary General | |
| 12. | Decision Date and place for the next conference | |
| 13. | Any other business | |
| 14. | Closing of the conference | |

Annex 2**List of participants at the BPAC conference in Oslo 28 – 30 MAY 2001**

Denmark	Senior Assistant Act. Pilotage Superintendent Adviser Deputy Director General Pilot	Andersen, Inger Hauschildt, Jens H. Monnerup, Erik Richter, Martin Wessel Jensen, Finn
Estonia	Pilot Muuga Port Pilot Paldiski Port Member of the Managing Board	Kivilo, Arvi Laanpere, Olev Mõtlik, Lembit
EU	Directorate General for Energy and Transport	Uzcanga, Javier
Finland	Director Deputy Director Pilot	Mylly, Markku Aaltonen, Matti Lukkari, Hannu
Germany	Deputy Head Shipping Division Ältermann/Sea and Deep Sea Pilot Federal Ministry of Transport	Heinrich, Jörg Subklew, Christian Voswinkel, Martin
Norway	Pilot Senior Executive Officer Head of Department Head of Pilot Section Engineer in Chief	Dahn, Stein Inge Hanssen, Steinar Sire, Eirik Starberg, Øyvinn Aarmo, Kjell Arne
Poland	Captain Ministry of Transport and Maritime Economy	Goworowski, Kazimierz Lendzion, Roman
Russia	Harbour Master – Port of Kaliningrad Senior Pilot – Port of St.Petersburg Harbour Master - Port of Vyborg and Vysotsk Senior Pilot – Port of St.Petersburg	Belyaev, Vasily Khvaly, Boris Ovetchkin, Viktor Ivanov, Wilgelm
Sweden	Pilot Service Coordinator (President BPAC) Senior Pilot Area Manager	Böök, Tomas Wallroth, Billy Svedberg, Ulf

Situation with the Pilotage Service in Russia

(The report of the RMPA at the BPAC conference, 29-30.05.2001)

Ladies and Gentlemen,

The Russian Maritime Pilots' Association unites 314 (three fourths) of all maritime pilots and provides 81% of sea-borne freight turnover of the country.

The pilot organizations of the Association work in 17 ports of Russia including all major ports. They provide vessels with quality pilotage services that meet high standards of the "EMPA Charter of Pilotage".

Nevertheless the threatening situation with pilotage in Russia of which we informed you at the previous Conference not only continues to exist, but is getting worse from day to day.

It is a pity that due to continuous changes and reappointments there appeared a lack of professionals at the top level management of the Ministry of transport of Russia. The negative experience of Novorossiysk where all our professional pilots were in one day dismissed from work, is now being applied to other ports of Russia.

The essence of the matter is that by the order of the Ministry of transport of Russia the Maritime Administrations of ports are establishing substandard pilotage services within their structure. Then, using their administrative power they force the local agents and it means the shipowners, to use the services not of the highly professional RMPA pilots, but those of their own "pilots" who cannot be considered pilots at all since they do not have a one day training under supervision of experienced pilot.

To take it more detailed, the present situation in Russia is as follows :

1. The government has not declared the deprivatization of the pilotage service. In accordance with Russian legislation the pilotage services can be both state and non- state.
2. New pilotage services are established within Maritime Administrations of ports, which are authorized to control and regulate the merchant shipping and pilotage. This does not comply with Russian legislation.
3. Russia still does not have the national legislation, which determines the minimum requirements for training and qualification of pilots. This fact shows that the Ministry of Transport of Russia ignores the appropriate IMO Resolutions and other international obligations of Russia.
4. When establishing pilotage services within their structures, Maritime Administrations of ports do not comply with any standards of training and qualification of pilots. They completely ignore international standards of pilots training, according to which on-board training is considered to be the most important.



All new pilotage organizations within Maritime Administrations of ports are created without the proper on-job training. In most cases on-job training is substituted by simulator training, which cannot be considered adequate.

At the port of Archangel the so called trainees from new «state» pilot service recently commenced to come and stay on the bridge during pilotage against the will of the pilot in charge. They serially are not allowed to navigate and manoeuvre the ships. This practice cannot be considered an on-job training as well.

In view of the above we find it necessary to draw your attention to the fact that at present in all ports of Russia in the course of establishing pilotage services within the structures of Maritime Administrations of ports the profanation of the pilot profession takes place. Thus, the threshold to establish pilotage services is lowered to zero. That leads to decreasing of safety standards. We believe that the representatives of international maritime industry cannot stay indifferent to this.

To all public and official inquiries officials of the Ministry of Transport give the same reply that new pilotage services are established to improve the quality standards of pilotage as well as to create competition in this business and that state owned pilot services are to their opinion more efficient than autonomy in management of pilotage services.

We are sure that this position completely contradicts the position of RMPA as well as EMPA on this matter. It is obvious, that an independent pilotage service in no way can compete with the authorized administrative body, which exercises state control and regulation of shipping and at the same time has its own pilotage service and provides payable pilotage services. (In our case "the body" means Maritime Administrations of ports, creating their own "state" pilotage services). Such bodies firstly distribute the pilotage works, secondly they have the possibility to put pressure on the agents (as it is done in Novorossiysk), and thirdly they have direct economic interest in providing the pilotage services by their own pilotage structures. Under these conditions this is not only the question of unfair competition but also the question of unavoidable corruption.

That way the officials of the Ministry of Transport destroy the pilot profession, decrease the safety standards and competitiveness of Russian ports, pervert and discredit the economic reforms held by the leadership of the country and aimed at the creation of open market economy.

We believe that the problems concerning the training and qualification of pilots as well as the problems dealing with the possibility of competition among the pilotage organizations working in the same pilotage area are in no way the questions of the internal policy of Russia.

It might happen, that in such situation from 01/08/2001 at the port of Saint- Petersburg the pilotage of tankers with 40 000 tons of fuel oil on board will be undertaken by the « pilots» without any initial pilotage experience. As you are the representatives of competent port authorities, it should be clear to you what consequences for the Baltic sea it may cause.

29.05.2001

The RMPA President
Captain V .I. Egorkin

Federal Ministry of Transport
Building and Housing
Section LS 24

Bonn, June 26th, 2001
Phone: + 49 228 / 300 –4643

Compulsory Pilotage in the Baltic Sea off the German coast

Proposal from Germany (*preliminary*)

A favourable look is taken by the Ministry at the question of introducing compulsory pilotage in the Kadetrenden as a measure for reducing to the *greatest* extent possible the risks connected with the navigation of large vessels through that sea area as well as for strengthening the confidence of the public into the safety of maritime traffic in the Baltic Sea. The Ministry sees no factors indicating the need for *the* introduction of compulsory pilotage in other sea areas off the German Baltic coast. Consequently, it is suggested that compulsory pilotage should apply to the deep-water route within the Kadetrenden and should be governed by the following criteria:

1. Vessels type(s): All sea-going ships

Compulsory pilotage in the Kadetrenden should cover all sea- going ships. Considering the large quantities of bunker fuel in the tanks of bulkers (for example, grain carriers), this category of vessels should be included among the categories that pose an enhanced risk to the environment in the case of a casualty. If compulsory pilotage is confined to tankers, that risk would not be covered to its full extent.

2. Dimensions: Vessels drawing 10 metres and more

The crucial criterion for the application of compulsory pilotage should be the draught of the vessel in question, because the main danger to ships navigating in the area is the point where a vessel departs from the deep-water route in the Kadetrenden. By

contrast, the criteria of a vessel's length and breadth are seen by the Ministry as being of minor importance.

3. Pilotage waters: The passage through the traffic separation scheme

When a suggestion is made for the designation of compulsory pilotage waters, account must be taken of the time the pilot needs after boarding until he reaches the navigating bridge of the vessel to be piloted and has taken his bearings of the situation. With this consideration in mind, the following embarkation and disembarkation points are proposed as the limits of pilotage waters:

Vessels on outward passage

- Pilot embarks near Buoy OW 74 (5 nm ahead of TSS)
- Pilot disembarks between Buoys W 69 und KO 10- T67/68

Vessels on inward passage

- Pilot embarks near Buoy E 69 (5 nm ahead of TSS)
- Pilot disembarks near Buoy E 72

4. Exemptions: May be granted following pilot-guided experience trips and upon passing an examination

No-one but an experienced master should be considered eligible for being granted an exemption from compulsory pilotage. Consequently, the application of any exemption rules (the idea of which is basically being favoured by the Ministry) made dependent upon the level of knowledge and experience on the part of masters, which obviously varies. At any rate, a minimum of Kadetrenden passages under the guidance of a pilot plus the successful completion of a theoretical examination should be mandatory prerequisites.

One option for action is to wait and collect practical experience before making a decision about exemptions. Alternatively, a minimum number of mandatory Kadetrenden passages (say, twelve) as well as the syllabus of, and other details related to, examinations for masters

could already be identified in the course of the international consultation process that will be necessary , anyway.

The first and crucial step on the way to the introduction of compulsory pilotage for certain areas in the Baltic Sea will be a common position by all Baltic coastal states.

It may be useful to lay down such common position in a joint paper. As agreed at the meeting of the Baltic Pilotage Authorities Commission (BPAC) in Oslo on 30 May 2001, the preliminary proposal set out above is made with a view to assisting in the opinion-forming process in the Baltic coastal states. The participants in the said meeting have made an announcement that they will endeavour to circulate among the other participants their own initial proposals for the introduction of compulsory pilotage.

3. New proposal

Denmark now proposes that the Baltic Sea States introduce the necessary provisions about mandatory pilotage in their national legislation, as follows:

1. In order to ensure that ships navigating in certain areas in the Baltic Sea are required to use pilotage during certain parts of the voyage, it is necessary that national shippers and recipients include a clause in their commercial agreements. Such a clause shall stipulate that for Route T loaded oil tankers with a draft of 11 metres or more and ships carrying a shipment of class 7 radioactive materials and for the Sound loaded oil tankers with a draft of 7 metres or more, loaded chemical tankers, gas carriers and ships carrying a shipment of class 7 radioactive materials are required to take a pilot when navigating through the entrances to the Baltic Sea.
2. The national legislation to be introduced in all the Baltic Sea States should therefore require national shippers and recipients to insert such a clause in their commercial agreements for the said ships.
3. Denmark proposes that in the **Route T** a pilot shall be used between the Kattegat and a position 5 nautical miles north of the traffic separation scheme off Gedser (Kadet Renden), and in the Sound between a position 6 nautical miles north of Helsingør and Drogden Light House, see the attached chartlet.
4. Similar provisions could come into question in such other areas of the Baltic Sea where it is deemed necessary by national authorities.

EU INITIATIVES ON FREE MARKET ACCESS TO PILOTAGE

Mr Chairman, ladies and gentlemen,

I would like to thank the organisers of this BAPC conference in giving the Commission the opportunity to present the latest actions in the development of the European port policy and, in particular, those on the Pilotage. As you are aware the Commission launched on February this year a 'Port Package' including a Directive on the market access to port services.

We all know that seaports play a very important role in European transport: 30% of all intra-European trade and 70% of all extra-European trade moves through our ports. I would like to mention that all forecasts indicate that these huge quantities will increase in the future. So, if we want to keep the transport system working and if we want to accommodate this increasing demand of transport, we need to make better use of the maritime mode. On the other hand, the time has come where the most environmental friendly modes of transport should be promoted. Europe needs shipping in particular SSS more than ever and therefore we need to improve quality and efficiency in the provision of port services. This is the aim of our 'Ports Package'.

Let me now lead you on a step-by-step tour though the content of the Commission's proposal.

Step 1. Which ports are covered ? There has to be a simple threshold. We propose 3 million tonnes and 500.000 passengers per year because market opening measures are less necessary and may be too cumbersome for small ports.

The services covered by the Directive are those explicitly mentioned: cargo handling in all its variations, passenger services and the so-called technical-nautical services of towing, mooring and pilotage.

Step 2 contains a very important statement in order to ensure proper management of a port as well as to ensure a satisfactory level of professional qualifications, Member States **may** -it does not say 'must' -operate a system of prior authorisation for port service providers. This is an important tool for port managers who are able to establish the conditions for the provision of port services. This is nothing new. It is done today in most ports in Europe. But our proposal introduces the concept of good governance which means, as I said before, that conditions for granting authorisations must be transparent, non-discriminatory, objective, relevant and proportional.

Step 3 is of crucial importance for the application of our proposal. It recognises that the number of service providers may be limited, but only where clearly specified conditions are fulfilled: these conditions are lack of space or capacity or, as far as technical-nautical services are concerned, maritime traffic-related safety reasons. In other words: where the port authority wants to limit the number of service providers, it must justify it.

Step 4. Where a port does not restrict the number of service providers, the incidence of the Commission's proposal is very limited and most clauses do not even apply because the main objective, namely better access for potential service providers, is already achieved.

Step 5 addresses the selection process. It must be open and fair. The principle of fairness would introduce a fundamental procedural change in many ports. Particularly in those where the port authority exercises both its function as port manager and, at the same time, as provider of a commercial service.

The managing body of the port must not be judge and party at the same time.

Where the managing body of the port provides, or wishes to provide, port services in competition with other service providers, it must be treated like any other competitor .

This requires that the managing body must not be involved in the selection procedures of service providers when itself is a service provider or holds an interest in a candidate. In addition it will be obliged to separate its port services accounts from the accounts of its other activities.

The selection procedure will settle the duration of the authorisation. You will agree that it is inappropriate to grant authorisations unlimited in time. We all agree that authorisation can not be awarded for life and that there is a need to check the market after a certain period. Instead, we propose that its duration should depend on the level of investment to be made by the service provider, obviously allowing for considerable longer duration where substantial investments must be made in immovable infrastructure as compared to situations where no, or very little, investment is necessary. We propose a maximum period of 25 years but I am fully aware that many think that this period is too short where investments easily reach hundred of millions of Euros.

You will ask what happens to existing authorisations. How will they be affected? This is obviously an important issue. This is an issue where comparable situations have already been addressed in other areas where market-opening measures were adopted, e.g. in airport ground handling, telecommunications and the utilities.

There are two additional issues tackled in the Directive. The first concerns an already existing legal right which we thought merited re-emphasising: a port service provider may employ personnel of his own choice. However, when exercising this choice the service provider must respect the existing social legislation applicable to workers in the port concerned and other conditions stated in the authorisation. And, of course, he is bound by the criteria for professional qualifications of workers which a port authority may have fixed.

The second concerns self -handling. We describe as self -handling the situation where a port user provides for itself one or more categories of port services, for example ferry operators carry out their own loading operations. There are in fact no reasons why self -handling should not, in principle, be allowed if operators believe that such action provides better use of their resources and gains in efficiency.

Shall we talk now more specifically on pilotage as an essential and integral part of port services.

1- The first thing one must mention is that the maritime pilots, are working in a growth industry: both short sea shipping and intercontinental shipping are registering considerable annual growth rates. Working in a growth industry is, a priori, a comfortable situation -but it cannot mean that it is immune to change.

What is the scope of the Directive concerning pilotage?

It covers only ports pilotage and not river or high sea pilotage in ports falling under the Directive. The Commission has received a suggestion to extend the scope of the Directive to river and channel access to ports but this has not been considered at the current stage.

We do not try to change any of the current status pilots have in the Union that could be summarised as:

- Public Servants -Port employees
- Self-employed workers
- Working in a private company.

All these status' are compatible with the proposal of directive.

2- We have already mentioned that Member States may operate a system of prior authorisation for port services providers. This is in order to ensure proper management of a port with its inherent constraints as well as to ensure a satisfactory level of safety and professional qualifications. In other words, the competent authority, either the port manager or the national authority, is the responsible body to set the rules within a port area. These conditions may relate only to the provider's professional qualifications, his sound financial situation and sufficient insurance cover, to maritime safety or the safety of installations, equipment and persons as well as to environmental protection.

Where the required professional qualifications include local knowledge or experience with local conditions, the competent authority must provide adequate training for applicant service providers.

3- Concerning limitations: The Directive recognises that for the technical-nautical services(like pilotage) the number of services providers may be limited but only on grounds of maritime traffic-related safety.

And when that limitation is decided then rules in line with comparable situations elsewhere apply.

This means to following the general procedures:

- A fair tendering procedure should be carried out.
- The duration of authorisations will have to be limited in time and they need renewing.

The duration should be related to the amount of investments made by the provider of the service. In some EU ports pilots do not invest at all, while in other they pay for their boats, buildings etc.

- All service providers are obliged to keep separate accounts for each port service in question.

4- The issue of the self-handling: We see there are two ways to tackle this subject in our proposal:

- The Pilot Exemption Certificate (PEC)
- Port company's own employee: This could be an employee, fully qualified as a pilot, living locally, who boards on vessels and take them to its company berth.

Till here I have presented the content of the "Ports Package'. Now shall we turn to the page which concerns you.

I understand that the maritime pilots have expressed a number of concerns on the content of the proposal. Let us look at them.

The first concern is that our proposal risks jeopardising maritime safety. Let me be as formal as possible: in no way will the Commission jeopardise maritime safety. Indeed, maritime safety is at the very centre of our maritime policy. Pilots are our allies in ensuring that maritime safety rules are properly applied. And my Commissioner, Mrs. Loyola de Palacio, and my colleagues have always said so and I am happy to repeat it here: we are grateful and acknowledge the contribution made by pilots to maritime safety.

So what we are suggesting in order to ensure the highest safety standards ?

We allow National authorities to continue to set the criteria for professional qualifications and maritime safety which may include local knowledge. We have accepted that uncontrolled competition could induce some risk even where all competitors are fully qualified. We therefore offer the opportunity to limit the number of service providers for reasons of maritime traffic-related safety. Remember: this is an exception to the rule of unlimited access for any qualified port service provider. And finally, we expressly say that the provisions of our proposal in no way affect Member States' obligations in respect of safety and security at ports.

It appears there is a second concern linked to the consideration of public service. Some pilots seem to say that they are responsible for safety, that safety is of public concern and that, therefore, pilotage is a public service. But this is not a logical sequence. Safety is a common concern in most of port activities.

Safety, maritime safety or safety at a work place, is always of public concern, but that does not make those responsible for safety exercise a public service. However, we do accept that a port may identify certain public service requirements relating to safety, regularity, continuity, quality, price and service conditions. Our proposal therefore contains a clause which states that an authorisation may include such public service requirements.

You are concerned about self -handling. I have to be quite clear: a policy that rules out categorically any self-handling activities is against basic legal rules. It is simply untenable. But we put a condition: self-handling may be subject to an authorisation, and I have already mentioned what the conditions for such authorisations are: they include, inter alia, those relating to maritime safety. And let us be frank: one of the reasons why short sea shipping, indeed shipping, is often seen by the public as an outmoded transport mode is because of certain restrictions, like those imposed in some countries on self-handling, which clearly are a waste of resources and are not in the overall interests of society.

To finalise you will ask where we go from here. As you know, for the legislative proposal to become law, it now needs the approval of the Member States and the European Parliament. Experience shows that this process will take some time -so there will be ample opportunities for interested parties to make their point. I hope they will do so rationally. They should look at the opportunities our proposal offers and what the medium and long-term alternatives would be.

Thank you for your attention.

Javier Uzcanga Oslo, May 30,2001

Photo of the delegates

