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Contribution of the Port of Rotterdam N.V. (transparency register 930637620172-95), Groningen Seaports N.V. , Moerdijk Port Authority, N.V. Zeeland Seaports and the Port of Amsterdam N.V. (Dutch maritime ports) to the first round of the public consultation of the extension of the General Block Exemption Regulation to Ports

With this statement the Dutch maritime ports would like to inform you about their views on the proposal from the European Commission to extend the appliance of the General Block Exemption (GBER) to the ports sector.

The Dutch maritime ports understand and acknowledge the fact that there are different organizational models for maritime ports in Europe. It is therefore a challenge to ensure the level playing field in port finance and state aid rules. At the same time this is an essential condition in the realization of a competitive European market. This is particularly true for ports with a wide presence of logistics and industrial functions. They play a vital role in preserving and enhancing our economy. Therefore, any new rules for state aid to ports, especially when there are no clear guidelines for ports, must enhance the level playing field between sea ports. The Dutch maritime ports have appraised the present proposal from that perspective.

No level playing field between ports

The Dutch port infrastructure is the best in the world according to the World Economic Forum[1]. This is mainly due to the high investments by the Dutch maritime ports and companies in the port cluster, the high level of services provided in the ports and the favourable geographical location. The Dutch maritime ports are of great economic importance to the Dutch, but also the European economy. Structural massive subsidization of some of the ports in neighbouring countries leads to sub-optimization and inefficiency, and is ultimately detrimental to businesses, consumers and therefore to the whole of the European Union. As a result, it hinders European economic growth and undermines the European integration.

The study "Level playing field" (2014) RHV-Erasmus University and Ecorys, commissioned by the Dutch Ministry of Infrastructure and Environment, shows that the ports in Flanders and Germany are structurally subsidized by their governments.[2] In sea ports in neighbouring countries, local and regional authorities contribute structurally and substantially to port development investments. Therefore, the customers of those ports do not pay the actual price for the port services and infrastrcucture, there is no level playing field and the Dutch maritime ports lose cargo, employment and revenue. The researchers calculated that the Rotterdam port and industrial complex miss

[1] http://reports.weforum.org/global-competitiveness-report-2015-2016/
[2] https://goo.gl/nsYGZp

approximately one million TEU containers annually (about 8% of the total) by this unfair competition alone.

The Dutch maritime ports believe that the additional (financial) transparency to which the proposed port services regulation may result in and the GBER are important steps in promoting uniform conditions and the 'license to operate' for the maritime ports. Nevertheless, this is not enough in order to achieve a level playing field. In the end, there should be clear state aid guidelines for maritime ports in order to create equal competitive conditions between ports in Europe.

Reaction to proposed GBER for maritime ports (Paragraphs 2 and 56b)

Paragraph 56b, Article 1:
We would like to have specified in more detail which investments are outside and which are within the state aid framework for maritime ports. In general the Dutch maritime ports have the opinion that all port infrastructure has an economic function and eventual public aid should be notified. However, the Dutch maritime ports can understand that investments in sea defence infrastructure and in the public access to ports (where no port dues are levied) should be exempted from the notification obligations.

-Paragraph 56b, Article 2:
Aid for port superstructure investments, as defined in section 56 Article 2, should be excluded from the exemption; These investments lead to a direct positive impact for companies and thereby affect the competitiveness between ports. Dredging (both project dredging as well as maintenance dredging) in the commercial area of the port should be excluded from the exemption.

- Paragraph 56b,Article 4:
The Dutch maritime ports support the European Commission's general objective to exclude the smaller projects in order to create more time for in-depth assessments of the larger projects. However, the amounts proposed in this proposal are too high according to the Dutch maritime ports. A maximum of € 120 million is in comparison approximately 65% of the total investments by the Port of Rotterdam in 2015. According to the Dutch maritime ports, it is apparent that € 60 million of public aid (50% intensity) for € 120 million infrastructural projects hampers the competitiveness between ports. A project amount to a maximum of € 60 million would be more realistic.

- Section 56b, Article 6
The Dutch maritime ports agree strongly with this article. 'Salami slicing' should be avoided, otherwise the risk is that the total amount of public support will be higher than the current ceiling of € 60 million (for infrastructural projects up to a maximum of € 120 million).

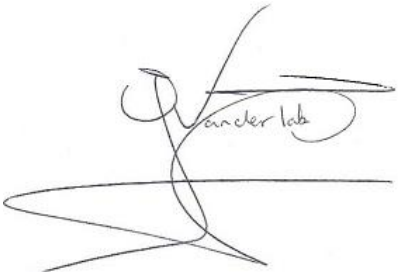
- Section 56b, Articles 7 and 8
We refer to the ESPO-position; The Dutch maritime ports deem it important that not just the market price is taken into account, but the market conditions are as well, because the present proposal is too limited to evaluate the possible advantages and disadvantages of service providers.
Paragraph 7 and 8 should therefore read as follows:

Paragraph 7: "*Any concession or other entrustment to a third party to construct, upgrade, operate or rent port infrastructure* ~~and superstructure shall be assigned on an open, transparent and non-discriminatory basis, having due regard to the Union public procurement rules [and Regulation establishing a framework on market access to port services and financial transparency of ports] where applicable. The duration of any concession or other entrustment for the rental or operation of the infrastructure to a third party shall not exceed a maximum duration of [30] years.~~ *shall be granted against market conditions.*

Paragraph 8: The infrastructure shall be made available to all interested users in accordance with the principles of the Port Regulation.".

For further questions please refer to Mr. Mark Dijk (mh.dijk3@portofrotterdam.com, +31653701040)

On behalf of the Port of Rotterdam N.V. , Groningen Seaports N.V. , Moerdijk Port Authority, N.V. Zeeland Seaports and the Port of Amsterdam N.V.



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