

## **FEPORT feedback regarding the public consultation concerning the draft Transport Block Exemption Regulation and the draft Land and Multimodal Transport Guidelines**

### **1. Introduction**

FEPORT represents the interests of 2290 private port companies and terminals performing cargo handling and logistics related activities in European ports. FEPORT Members employ over 400.000 workers.

FEPORT welcomes the possibility to provide comments regarding the public consultation on the draft Land and Multimodal Transport Guidelines and the draft Transport Block Exemption Regulation.

Terminal operators performing cargo handling operations enable the seamless link between maritime and sustainable hinterland transport modes and are therefore indispensable in the achievement of the EU's modal shift targets.

FEPORT strongly supports that the proposed texts depart from a holistic approach encompassing all sustainable modes of transport as well as terminals. Seaport terminals whose activities are the junction between different modes play a crucial role in supporting transport operators which offer sustainable passenger and freight transport services, and transport organisers.

In addition, FEPORT believes that the incorporation of interoperability aid aimed at ensuring uninterrupted traffic flows in the texts constitutes a positive signal as this type of aid will support coordination and efforts to establish intermodal data exchange platforms. We need legal frameworks that not only focus on the greening of the modes of transport but also encourage the reduction of inefficiencies and congestion and the optimization of capacity allocation across logistics chains.

Creating relevant rules is not enough. Procedures to apply for aid should not be overly complex and accessible for companies. FEPORT therefore supports measures to reduce bureaucracy and simplify state aid procedures. Thresholds should not be set too low and possibly be linked to purchasing power indices. At the same time, economic operators should always be informed as early and comprehensively as possible about existing aid opportunities and implementing provisions.

Below are few additional recommendations aimed at improving and clarifying the texts, most notably on operating aid for the launch of new commercial connections, the construction of new terminals and aid supporting the acquisition of equipment.

## 1. Definitions

Article 2(l) of the TBER proposal and point 54(m) of the LMT Guidelines define ‘inland waterways vessel’ as “a vessel for passenger or freight transport intended solely or mainly for navigation on inland waterways or in waters within or closely adjacent to sheltered waters”.

However, in some cases, waterways in the port are legally considered as “maritime waterway”, even though they are accessible for navigation by inland barges. At the same time, barges are often used for intra-port transfers, for example, from terminal to terminal or from terminals to empty container depots. Such operations cause less emissions when performed by barges as compared to trucks.

FEPORT therefore suggests amending the definition of ‘inland waterways vessel’ in article 2(l) of the TBER and point 54(m) of the LMT Guidelines as follows, in view of ensuring that barges performing operations in seaports are also covered by the texts: *‘inland waterways vessel’ means a vessel for passenger or freight transport intended solely or mainly for navigation on inland waterways or in waters within, or closely adjacent to, sheltered waters (including seaports)’*.

## 2. Operating aid: focus on external cost savings

FEPORT agrees that the LMT Guidelines and TBER proposals cover aid to reduce the external costs of transport, which can be granted to both transport operators and/or transport organisers choosing sustainable land transport operations.<sup>1</sup>

FEPORT is of the opinion that the principal aim of state aid in the multimodal transport sector should be to reduce the external costs of transport. We are therefore critical of point 96 of the LMT Guidelines and article 10(6) of the TBER proposal as it makes eligibility for aid dependent on the distance covered by the transport mode supported instead of also taking into account external costs savings.

FEPORT concurs that aid should only be granted where a more polluting competing mode of transport is a commercially viable alternative to the transport mode receiving the aid. However, distance covered is not the only factor determining this as operational costs, network capacity as well as the availability of terminals play an equally important role. Whether a more polluting alternative is competitive should therefore be assessed on a case-by-case basis, without excluding aid based on distance-related criteria only.

It should also be noted that for routes with the same origin and destination, distance covered can vary strongly between transport modes. For example, the route via barge can be significantly longer as compared to road or rail transport due to the geographical characteristics of the river used. This in our view constitutes another reason why the distance criteria proposed should be critically

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<sup>1</sup> See article 11(2) of the TBER proposal and section 4.2.1.1 of the LMT Guidelines proposal

assessed as sustainable transport options covering larger distances than those mentioned in the LMT and TBER texts can still face competitiveness issues as compared to road transport.

We equally support the texts' inclusion of operating aid to launch new commercial connections, which can benefit both railway operators and transport organisers, and the safeguards provided to prevent distortions of trade and competition in this respect<sup>2</sup>. However, terminal capacity can, in some cases, be a limiting factor impeding the launch of new sustainable transport connections. FEPORT therefore recommends explicitly mentioning aid for the construction, upgrade and renewal of multimodal freight terminals in the TBER and LMT provisions on the launch of new commercial connections. Last but not least, all operators of sustainable transport modes should be included as direct beneficiaries of support under the TBER and LMT Guidelines.

### **3. Aid for the construction, upgrade and renewal of multimodal freight terminals**

It is of crucial importance that article 12 of the TBER proposal and section 4.2.2.1 of the LMT Guidelines proposal include aid for the construction, upgrade and renewal of multimodal freight terminals, as the needed modal shift and reduction of external costs in the freight transport sector can only be achieved when terminal operators are enabled to provide the link between maritime and sustainable land transport modes.

It is a positive development that the texts permit aid covering storage arrangements, warehouses and terminal buildings as well as mobile terminal equipment such as reach stackers. However, the digital component should not be overlooked, given that the application of, for example, IoT and Big Data can play an equally important role in the greening of terminal operations. They also contribute to the seamless integration of terminals into the wider logistics chain, thus enabling interoperability. FEPORT therefore recommends specifically mentioning digitalisation related investments in article 12 of the TBER and section 4.2.2.1 of the LMT Guidelines.

Furthermore, other pieces of EU legislation should be leveraged to improve terminal operators' access to finance, so as to allow them to green their own operations, while contributing to the decarbonisation of the transport ecosystem at large. For example, a proper inclusion of the activity of cargo handling in the taxonomy criteria is essential so that investments can be channelled to green equipment, infrastructure and digital solutions in seaport terminals.

### **4. Allocate financial support to reduce transport external costs and achieve modal shift targets**

The EU has adopted ambitious targets related to the decarbonisation of the transport sector, the reduction of external costs and modal shift. These targets require ambitious policies that support the decarbonisation of each mode, incentivise transport organisers to pick the most sustainable option available, while allowing terminals to perform their essential role as connecting point between the modes.

More EU and national funding to support the transport sector is therefore key. Support types covered can be the operating and investment aids included in the LMT and TBER texts to launch new

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<sup>2</sup> See points 120, 75-76 of the LMT Guidelines proposal and recital 22 of the TBER proposal.

commercial connections, support interoperability, purchase or upgrade equipment, or contribute to the construction of terminals. Infrastructure investments are also paramount, as sustainable vehicles can only operate when adequate refuelling and recharging points are available. Finally, RD&I is a key component needed for the achievement of a zero-emission freight transport sector.

FEPORT would therefore like to reiterate its support for the joint call in favour of [an increase in the EU budget for transport](#), for example, through EU programmes such as CEF and Horizon Europe, as well as to  [earmark the revenues of ETS maritime](#) to support the decarbonisation of the sector.

## **5. Conclusion**

FEPORT welcomes the TBER and LMT Guidelines proposals due to its holistic focus covering different sustainable transport modes, as well as support to the benefit of terminals and interoperability.

The texts could be further strengthened by clarifying the definition of inland waterways vessel as well as allowing aid to terminals as part of projects aimed at launching new commercial connections. In addition, when supporting the construction, upgrade and renewal of freight terminals, the digital dimension should not be overlooked.

FEPORT finally calls on EU and national policy makers to allocate sufficient financial resources in support of the decarbonisation of the transport sector and to reduce external costs.