

# Further changes to EU Port Services Regulation ahead

Tuesday 08 March 2016, 10:30 by Gary Howard



**The text in front of the European Parliament has been altered significantly since its first draft.**

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## Opponents fear regulatory creep if legislation passes EU parliament

SUPPORTERS of the proposed European Union Port Services Regulation have outlined the amendments they would like to see to the text should it pass a vote in the European Parliament.

The text in front of Members of the European Parliament has been altered significantly since 2013's first draft of the regulation, which was met with near-universal opposition from across the ports sector, but the legislation's supporters are hoping for further changes when it moves to the European Council.

The [current form](#) of the regulation, as amended by rapporteur Knut Fleckenstein, has gathered the qualified support of some European port organisations.

The European Sea Ports Organisation stated the regulation has come a long way since the 2013 version, which it viewed as unacceptable. Espo's position is that the Fleckenstein report represents a compromise that is a good basis for the next step of negotiations with the European Council, during which the outstanding issues could be addressed.

Espo will lobby for further changes to the form of a supervisory body that will be created by the regulation, and protection for the right of port authorities to set their own charges.

“We know that there are some issues from the UK side but we believe in Espo that a lot of these issues are addressed. Of course it is not fantastic, but a compromise is never fantastic,” an Espo spokesperson told Lloyd’s List.

A spokesperson for Associated British Ports said: “The position of many supporters seems to be that the legislation is not that bad; the kind of legislation we should be supporting is that which promotes growth, investment and jobs across the EU. The benchmark of support should not be whether a text is not as damaging as it might have been.”

Opposition to the legislation from the UK ports sector, in particular from ABP, has focused on the freedom of port authorities to set their own charges, the imposition of financial transparency rules on private companies and the risk of private ports having to contract out to multiple service providers, as examples of regulations that will adversely affect the UK ports sector.

Espo argues a national ports supervisory body that would be created by the regulation is watered down in its most recent form, and would leave port authorities free to set their own charges.

“People consistently overlook the commission’s original text, which must be considered its intent,” said ABP, raising its concern over regulatory creep. “Even if over the short term political expediency requires the commission to go through various contortions, one has to keep the original text in mind as to how an independent supervisory body might evolve.”

The Federation of European Private Port Operators has called for MEPs to vote in favour of the regulation, again as a basis for negotiation with the council. The association, which represents cargo-handling interests, helped secure amendments to the text to exempt cargo handling from the scope of the regulation.

Despite supporting the regulation for the parliament vote, Feport will lobby for further changes at the European Council on the classification of private investors.

ABP is a member of both Espo and Feport, and has expressed disappointment that its objections to the regulation were not noted in letters to MEPs from both associations.

A Feport spokesperson said: “I think we have been very receptive to the points made by ABP internally. As far as Feport is concerned, representing the cargo-handling industry, we have received exclusion for cargo handling. We understand our ABP’s concerns about other technical services; our key message to ABP has been to continue to lobby other organisations within Brussels.”

## **UK opposition**

The first two times the Port Service Regulation was put in front of the European Parliament, the main UK political parties all opposed it. The government’s opposition stance has now cooled.

A Department for Transport spokesperson told Lloyd’s List: “The Port Service Regulation is a complex area and one where the government has fought for Britain’s interests to be secured. Our negotiations helped to ensure significant and positive changes to the EU Commission proposal that was put forward in 2013, and we will continue to work with our European counterparts to ensure our ports continue to thrive.”

The question of state aid for ports is a critical one for many MEPs representing areas with sea ports. Many of mainland Europe's largest ports have received hundreds of millions of euros in public funding for port expansion. There have been calls for clarity over the treatment of such state aid within the Port Services Regulation to ensure rules on financial transparency cover such public funding.

The UK ports sector is mostly privately owned and operated, whereas the majority of ports in mainland Europe are run with state involvement. The Port Services Regulation aims to make large state-backed ports with monopolies more efficient and competitive, but under a one size fits all policy unintended consequences have arisen in the private sector.

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Article from Lloyd's List

<https://www.lloydslist.com/ll/sector/regulation/article518844.ece>

Published: Tuesday 08 March 2016

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