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Subject: Pamphlet "The Value of Small Inland Shipping"

Dear Sir / Madam,

The economy of the European Union depends on the importation and exportation of goods. Between member states and the rest of the world large numbers of goods are transported using air, rail, road and waterway transport. Within the European Union the widely expanded waterway network is used by inland shipping. From the North Sea to the Black Sea and to the Mediterranean barges take a significant place within the European transportation system.

The European White Paper of 2011 states that a modal shift of 30% in the year 2030 from road haulage, to railway and inland shipping is necessary in order to establish a durable transportation system for the European Union in the future. As alternative for road haulage inland shipping is a durable, congestion free, safe and low cost way of delivering goods throughout Europe, especially in the northwest region of Europe.

Unfortunately, due to the economic crisis that started in 2009, many ship owners find themselves struggling to keep their businesses afloat. Overcapacity, low freight prices and the lack of efficient market policy makes that the sector is not able to live up to its high transport potential and the ambitious goals of the European Committee.

Due to the existing overcapacity in the segment of larger ships (2000 ton +) and the low freight prices in the whole sector the financial position of ship owners is weakening more and more. Consequently ship owners are not able to invest in higher safety, reduction of emissions and qualified, professional staff. Since 2009 many ship owners can't even comply with the obligation of paying off ship mortgages, downgrading the capital of aforesaid ship owners. Additionally, in recent years banks are less willing to finance healthy companies for investments needed to comply to technical demands coming from the Central Rhine Comity (CCR) and periodically maintenance.

In order to change the situation within the sector of inland waterway transport certain measures must be embedded into the European transport policy.

Main measures are:

1. Providing of an instrument of market observation and information sharing about fleet capacity, freight prices and transport flows in order to increase the market transparency.
2. Harmonisation of regulations in the fields of education, social security, manning requirements, the labour market and the fiscal differences between the member states.
3. Set up of legislation that avoids transportation of goods under the minimum cost price level considering all costs made by inland ships.
4. Set up of an external costs calculator for the transport sector containing costs for infrastructure, climate change, air pollution, noise, accidents and congestion.
5. Stimulation of member states to invest in existing infrastructure taking all uses of the infrastructure into account.
6. Improve cooperation and communication between member states, different river committees, European Committee and ship owners.

7. Use the power of Europe to prevent the small ships being demolished, just because the CCR demands the impossible thing from the ship-owners; adjust their ships to newly-built regulations.

Recently you have received a letter from the Belgium organisation for ship owners OnsRecht/NotreDroit. We, the Dutch organisation for ship owners ASV (Algemeene Schippers Vereeniging), approve the message written down in that letter.

Because most members of the ASV are owners of small ships we include to this letter the pamphlet "Kleine binnenvaart, de moeite waard" (The Value of Small Inland Shipping) that focuses on the causes and consequences of disappearing of small inland ships up to 1,000 tons, which is happening at this very moment. It has been sent to the government and political parties in the Netherlands.

In behalf of the ASV, thanks for your attention and time,

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Algemeene Schippers Vereeniging

Small inland Shipping, big concerns.

Inland navigation plays a crucial but underexposed role in the liveability of our country. With this pamphlet, the ASV wants to inform you about the disappearance of an essential part of this inland navigation: the small ships. In this pamphlet we summarized the causes and effects. It is up to you to make the right choices.



Who is the ASV?

The Algemeene Schippers Vereeniging (ASV), founded in 1945, is the representative of the skippers who sail on the capillaries of the Dutch waters. A large part of the members navigates on small freighters. The purpose of the ASV is, among others, finding socio-economically acceptable conditions in inland Shipping and strives for fair competition in between modes of transport.

In behalf of the ASV:

Sunniva Fluitsma

Ron Breedveld

July 2012.

The Value of Small Inland Shipping



With five thousand kilometres of waterways the Netherlands provide an excellent opportunity for cheap, environmentally friendly and safe bulk transport. Sixteen hundred kilometres of these waterways consist of small waterways allowing small vessels (up to 1,000 tonnes). The small inland ship is the competitor to road transport because it can transport across the capillaries of the waterways from door to door. The Netherlands is the proud owner of the largest fleet in Europe which is incomplete without these small vessels that can operate on the capillaries of the waterways.

The small inland shipping, an icy future?

The current crisis, the overcapacity that exists among large ships and the rules imposed by the Central Rhine Commission (CCR) to which small vessel cannot comply has resulted in a drastic decrease of the number of small vessels*. Every year dozens of small ships are taken out of service. The construction of new small ships is no longer profitable, so those that disappear will never return. Companies have started to experience a shortage of small vessels which is leading to logistical problems. Conclusion: we should cherish the small ships while we still have them.



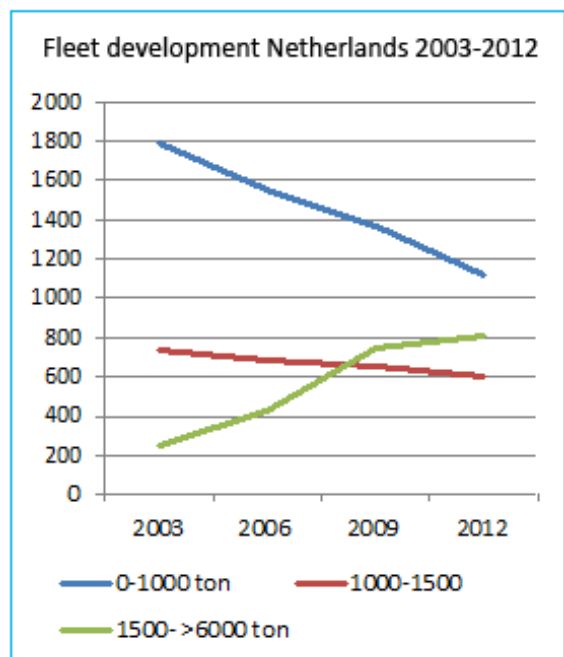
*) Between the years 1981 - 2003, 40% of the smaller vessels (up to fifteen hundred tons) disappeared from the cargo trade. Only 5% of the smallest type of ship (the "Spits") are still in service (350 compared with 7000 2 decades ago).

CCR requirements lead to cold reorganization small ships.

The technical requirements for existing ships, imposed by the Central Rhine Commission (CCR), will make the survival of small vessels impossible. Investments that are necessary to comply with these requirements are uneconomic (a multiple of the value of the ship), and sometimes technically not feasible. The CCR have already found out that the usefulness and necessity for these rules have not have been demonstrated ¹⁾. Owners are no longer able to make regular investments for maintenance and modernization, and many owners of small vessels decide to scrap their ship. This is not only unacceptable for our sailors, but also socially undesirable.

Small ships are no longer counted.

Houses and other developments are often built along waterways and harbours, which hinders business. Bridges and locks ensure by their off-times that transport by inland waterways is put at a disadvantage compared to road transport. Commercial berths are



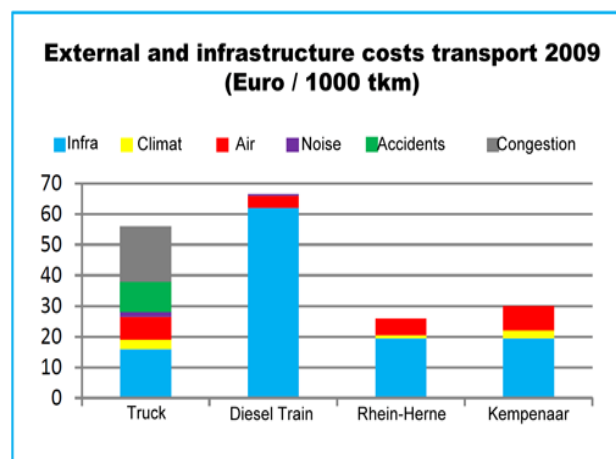
often hard to find. Overdue maintenance creates delays and uncertainty about whether and when the customer can take delivery of his cargo. In short, neither at national, or provincial or municipal level is there support for small inland shipping, with all its consequences.

Inland shipping charges the least.

The Netherlands is a distribution country. But all this transport should take place in a responsible manner, giving evidence of good stewardship. Therefore, the ASV supports the call by the European Commission to charge the responsible party for the social costs. Dozens of trucks on the road can not be better than one barge! We are not asking for subsidies, but to make fair choices. Annually the Netherlands are responsible for 1 billion tonnes of transported cargo (2009), of which 235 million tons was realised by inland shipping. Small engine freighters are responsible of 25% of this²⁾. This means 2.4 million trucks less on the road and decreasing traffic jams by 120 kilometres a day. This makes the small inland shipping among the most secure, sustainable and affordable form of transportation, with reduced emissions, fewer accidents, and fewer traffic jams.

Inland shipping wrestles with free economic market.

It is said that the economic market should run its course but this is impossible with inland navigation. Ships do not go off the market after a bankruptcy. (They are sold to new owners and the tonnage stays in the market.) Moreover, there is some excess capacity necessary to offer transport security towards the customer during transport peaks and at low water levels when the ships can only be loaded partially³⁾. Again and again it has been shown that a healthy navigation market only can exist in some form of market organization, which makes it impossible to sail below the actual costs. This conclusion has already been drawn in the Treaty of Rome, and has been proved in recent years. After the abolition of the so-called "Schippersbeurzen" (where freight officers and skippers came together to enter into agreements) in 1998 and the full release of market, freight rates fluctuate significantly. The rates for small vessels have decreased structurally by 30%, which means operating far below the actual costs. This can be halted by a reintroduction of the bottom tariff. Recently, the ING economic agency proposed to implement a base tariff for inland navigation⁴⁾.



In addition, the market lacks transparency. Both the demand side (companies that need their cargo transported) and the supply side (the skippers) are depending on a freighter to know how much supply and demand there is in the market. Transparency is important for all parties involved.

A good future for the small inland shipping. We go for it!

The economy has need of stable inland shipping. Therefore, politics have to take steps to secure the survival of this sector. The ASV (Algemeene Schippers Vereeniging) does everything in order to persuade you that steps have to be taken immediately to give skippers back some confidence in the future. That trust is necessary to ensure that more than 60 towns and villages located on small waterways in the Netherlands are not forced to turn to road transport⁵⁾. In 2020, compared to 2009, some 70,000 extra trucks will be on the roads and many companies have become inaccessible for water transport because the small ships are scrapped. Result: more emissions, more fatalities on the

roads, more traffic jams, higher transport costs. We should cherish what still remains, to use it as long as possible.

Our recommendations:

- **Transport by ship must be financially and politically actively encouraged. Safe, durable and affordable transport is not possible as when it is unplayable for the skippers.**
- **Senseless, unnecessary (technical) requirements and regulations from Brussels (EU) and Strasbourg (CCR) should not lead to the disappearance of small vessels.**
- **Existing vessels built before 1985 have to be safeguarded to meet the new requirements, except in the case of reconstruction or new construction.**
- **Small waterways should be prioritized to avoid that inland cities become no longer accessible caused by silting up and closing of small waterways.**
- **There should be a system of market transparency.**
- **There should be, in cooperation with our neighbouring countries, a ban on transporting below cost rates.**
- **The social costs of transport should be passed to the person causing the costs.**

It is an objective of the European Union, among others, that a "modal shift" of 30% road transport converts to rail and water in 2030, and 50% in 2050 ⁶⁾. Inland shipping may be an essential link in this and the vessels and the infrastructure still exist at this moment. The skipper would like to continue delivering their cargo to the many businesses that rely on them. The skippers deliver the cargo 'just in time' and if necessary we can "speed up". But that is only possible if we can invest in things that are necessary for good business. Therefore we ask you "to speed up" the process to ensure us of that future.



What are so-called small ships?

Klasse	Type of ship	Length	Wide	Draft	Ton = x trucks
CEMT I	Spits	38,5 m	5.05 m	2.20 m	350 ton = 14 trucks
CEMT II	Kempenaar	55 m	6.60 m	2.59 m	655 ton = 22 trucks
CEMT III	Dortmunder	67 m	8.20 m	2.50 m	1.000 ton = 40 trucks
CEMT IV	Rijn-Herne	85 m	9.50 m	2.50 m	1.350 ton = 54 trucks

If the ships up to 1000 tonnes disappear from the market, the following places in the Netherlands will no longer be available for inland shipping:

- **Groningen** : Hoogkerk, Nieuweschans, Lauwersoog.
- **Friesland** : Dokkum, Bolsward, Makkum.
- **Drenthe** : Entire province (except Meppel) o.a. Assen, Coevorden, Hoogeveen, Emmen.
- **Overijssel** : Hardenberg, Gramsbergen, Vroomshop, Vriezenveen.
- **Flevoland** : All three "Flevopolders" o.a. Almere, Lelystad, Emmeloord, Dronten, Swifterbant.
- **Noord Holland** : Schagen, Middenmeer, Aalsmeer, Halfweg, Oudekerk a/d Amstel, Uithoorn, Hilversum, Heerhugowaard, Winkel, Kolhorn, Medemblik, Slootdorp.
- **Zuid Holland** : Delft, Den Haag, Bodegraven, Leiden, Lisse, Hillegom, Haastrecht, Middelharnis, Spijkenisse, Brielle.
- **Utrecht** : Woerden, Oudewater, Amersfoort.
- **Gelderland** : Doetinchem, Ulft, Geldermalsen.
- **Zeeland** : Zierikzee, Goes.
- **Limburg** : Weert, Nederweert.
- **Brabant** : Eindhoven, Lieshout, Son, Breugel, Best, Oirschot, Hilvarenbeek, Tilburg

This is not a complete list. Many more places in the Netherlands and Europe will become inaccessible.

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Sources:

- 1) [VBD](#); Auswirkungen von Übergangsbestimmungen von den technische Vorschriften für Binnenschiffe, 2) CBS, 3) [NICE](#); Marktwerking en samenwerking in de binnenvaart, 4) [ING](#); Herstel pad binnenvaart loopt vertraging op, 5) [SP](#); Klein schip in zwaar weer, 6) [EC](#); Witboek transport.