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Riga, 11th June 2009

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Breakout Session Executive Summary

The purpose of the Breakout Session was to examine a number of important themes for the advancement of Short Sea Shipping (SSS) and intermodality. Each theme was headed-up by a Facilitator who prepared and circulated a discussion paper in advance of the Breakout Session. Each theme was assigned a Rapporteur to capture the key points raised during the theme discussion.

The Breakout Session was chaired by Prof Stratos Papadimitriou, the Co-ordinator of the PROPS project from the University of Piraeus Research Centre. The themes, facilitators and rapporteurs were:

Ref	Theme	Facilitator	Rapporteur
1	Training of Maritime, Logistics and Ports personnel for efficient intermodal transport; the benefits of training; innovative programmes.	John Moore, Dublin Port Company	James Kehoe, Nautical Enterprise
2	Networking strategies in Intermodal transport; potential role of SPCs.	Dr. Takis Katsoulakos, Inlecom	Gráinne Lynch, Nautical Enterprise
3	Factors favouring SSS & Intermodal transport; suggestions as to how each favourable factor may be promoted; benefits & targets	Gerry Trant, Nautical Enterprise	Dominic Jarvis, CETLE
4	The environmental benefits of SSS & Intermodal transport; means of capitalising on the benefits and how these might be promoted.	Dr Catrin Lammgard, University of Göteborg	Mary Liddane Nautical Enterprise
5	Marketing SSS & Intermodal transport, incorporating training, networking, economic and environmental considerations.	Neil Cameron, Bell Pottinger Group	Pedro Mano, TIS.pt

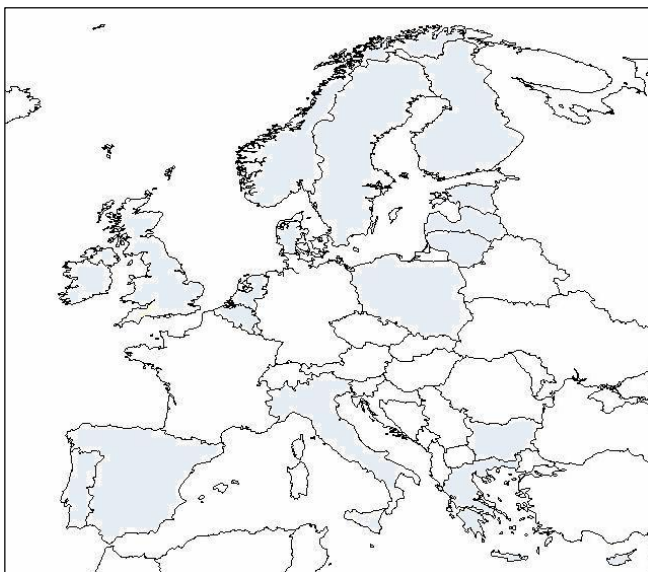


Figure 1 – EU States represented in the Breakout Session discussion

The Breakout Session was attended and contributed to by 53 people from the following European Member states: Spain, UK, Belgium, Denmark, Ireland, Finland, Italy, Sweden, Latvia, Portugal, Cyprus, Lithuania, Greece, Netherlands, Bulgaria, Estonia, and Poland.

The organisations represented include the European Commission, Shortsea Promotion Centres, ports, maritime administrations, ship brokers and agents, safety agencies, exporters, universities and consultants.

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The breakout session was allocated approximately two hours of precious time. Prof Papadimitriou introduced the session followed closely by an overview of the themes from the perspective of the Bulgarian SPC, presented by Mr George Petkov.

Subsequently, each theme group commenced discussion on their chosen theme. The Facilitator introduced the paper including the key points for discussion that had been circulated to the theme participants in advance, so everyone was prepared and eager to contribute. The participants' key points were captured by the Rapporteurs and are presented in the relevant sections of this report.

Summary of the main societal impacts of SSS identified in the Five Themes

The Breakout Session themes presented a broad perspective on some of the most relevant issues affecting SSS and inter-modality throughout the EU today. A number of salient points were raised in each theme and these were succinctly highlighted at the end of the Session by the Facilitators / Rapporteurs in their concluding comments to the whole group. Themes 1 and 2 dealt with specific aspects affecting the advancement of SSS, namely, training initiatives and networking strategies for SPCs. Themes 3, 4 and 5 considered marketing strategies for the promotion of SSS. The comments summarised here represent the general opinions expressed by the participants in these groups.

1. Transport operators, users and end customers are now more aware of their own environmental footprint and are conscious of lessening their environmental impact. Accordingly, Corporate Social Responsibility is an increasingly important marketing tool for companies involved in SSS. Users of transport are aware that further regulation and inevitable increases in the price of fuel will continue to affect their choices in relation to modal transport. Further regulation in environmental matters may be seen as an opportunity for the shipping industry to distinguish itself from other modes of transport and promote a “green” perspective.
2. In relation to inter-regional trade, it was noted that identification of relevant market segments is extremely important for the promotion of SSS. SSS should identify and capitalise on its competitive advantages over alternative modes of transport. In this regard, the following actions should be taken:
 - SSS advantages should be quantified and communicated to customers and to the public at large to raise the profile and image of SSS as a viable contributor to interregional trade and European prosperity.
 - SSS / Intermodal transport should increase its efficiency to maintain and increase its market share.
 - Targeting markets for specific commodities is an important means whereby SSS / Intermodal transport can achieve its goals.
 - Improvements in SSS / Intermodal transport services will facilitate interregional trade growth and, hence, growth in regional GDPs.

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3. Training is considered an important tool for knowledge management. Training is also crucial for further developing safety and security procedures to ensure that shipping retains its image of being a safe and secure mode of transport. In addition, it was recommended that further research be carried out to better quantify the societal benefits of SSS, which include obtaining data on accidents and security incidents in maritime transport vis-à-vis accidents and security incidents associated with land transport, as well as relative insurance costs.
4. Security was seen as a key benefit of SSS / Intermodal transport, especially when combined with the environmental and safety benefits. The ISPS regulations provide a standard for maritime transport for which road transport has no corresponding reference. Establishing and branding these benefits would provide a powerful marketing image for SSS / Intermodal transport.
5. The importance of SSS / Intermodal transport in European policies should be highlighted from the perspectives of alignment with the planned advancement of European transport and the financial supports for maritime services and infrastructural developments that are available.
6. SPCs have a key role in the quantification and promotion of the benefits of SSS. It was deemed to be beneficial for SPCs to formulate regional groups for greater collaboration on common strategies. In addition, SPCs should improve their capabilities for knowledge management and maintain a high degree of involvement in EU initiatives, such as e-Maritime.



Figure 2 River Daugava, Riga, Latvia, at Sunset 11th June 2009 (James Kehoe)

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SKEMA / PROPS Riga Workshop 11th June 2009, Riga, Latvia
Breakout Session Theme 1

1.1 Breakout Session Theme 1 Report

Theme Title: “Training of Maritime, Logistics and Ports personnel for efficient intermodal transport; the benefits of training; innovative programmes.”

Objective:

The purpose of the breakout session is to examine the theme of training for the advancement of Short Sea Shipping and intermodality

Facilitator: Mr John Moore (Dublin Port Company)

Rapporteur: Mr. James Kehoe (Nautical Enterprise)

Participants:

1.	Capt	Aleksandrs	Kovtanuks	AK	Aquaship Shipmanagement	Riga, Latvia
2.	Mr	John	Moore	JM	Dublin Port Company	Dublin, Ireland
3.	Mr	Ian	Timpson	IT	Department for Transport	London, UK
4.	Mr	Kevin	O'Driscoll	KOD	Dublin Port Company	Dublin, Ireland
5.	Mr	David	Squire	DS	International Maritime Human Element Bulletin	London, UK
6.	Mr	Vjaceslavs	Bardakovs	VB	Interorient Navigation Co Ltd	Riga, Latvia
7.	Mr	John	Whelan	JW	Irish Exporters Association	Dublin, Ireland
8.	Mr	Ansis	Zeltins	AZ	Maritime Administration of Latvia	Riga, Latvia
9.	Mr	James	Kehoe	JK	Nautical Enterprise	Cork, Ireland
10.	Ms	Johanna	Vuorenmaa	JV	University of Turku	Turku, Finland

Brief summary of paper presented by JM:

As part of this session JM presented a paper containing three discussion points. The first point looked at some of the difficulties and training needs of intermodal and ports personnel. The second point queried the benefits of training and how these can be linked to intermodality and short sea shipping (SSS). The final point examined the means by which training can be specified, delivered and developed to grow knowledge.

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Dublin Port Case Study:

The group began with a brief examination of the role that training plays in the intermodal and short sea shipping industry.

All participants uniformly agreed that training is beneficial to achieving set goals, with specific reference to eMaritime. Training was viewed from the perspective of what it could achieve. Consensus was reached on tangible benefits from 'hard' training where new sets of actionable, technical skills are provided to staff, and 'soft' training where interpersonal skills are the emphasis. The use of training to remove barriers and to elicit buy-in from staff was more intangible but uniquely demonstrated in the case of Dublin Port.

The case of Dublin Port was examined, where a workforce of 2000 staff were surveyed to determine the training needs of the various intermodal transport stakeholders. The general findings were as follows and were presented to the breakout group:

- Companies could only afford to release 2 or 3 staff for training at any one time, yet training required a critical mass of staff to be successful.
- It is difficult to define the monetary benefits of 'soft' training and therefore difficult for managers to justify funding.
- Trainees receiving the training wished to have an input to the design of the training.
- Training was best run close to the port.
- Long term staff development plans have been impractical for most port freight companies due to the rate of mergers and acquisitions within the industry.

The example of the achievements of Dublin Port in terms of staff reductions and behavioural changes, partly through the use of training as a vehicle for change was compellingly presented by JM.

Drivers of Training and Training Accreditation:

The next topic began with some general comments in relation to regulation within the industry and how this drives training. Parallels were drawn between SSS and the aviation industry. Details of how high levels of training and knowledge sharing are achieved within the aviation industry were also highlighted.

Recent global events are resulting in a move away from "trust in the market" and from self-regulation to more regulation. When compared to the aviation industry the maritime industry is not significantly inspected or audited (examples of level of detail of audit questions were presented to the group). The current EU project EFFORTS is aiming to provide an EU skills and competence passPORT for all port employees. This will ensure a basic skills level for all passport holders and support freedom of movement of personnel. (KOD)

Foundation courses should be made available to individuals who intend to work in the industry. Continuing Professional Development (CPD) or a similar accreditation system, could be used to provide qualifications to very experienced individuals who do not poses formal qualifications. (IT)

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The accreditation of such a passport remains an issue and would require ongoing resources to ensure a specified standard is maintained across the industry. Ship Registers, Chartered Institutes and national educational authorities were presented as options worth investigating, however, harmonisation with the Bologna process would need to be maintained.

With regard to international standardisation of courses it was noted that there are practical gaps in harmonising training and qualifications, e.g. what qualifications are required to be a harbour master? Training for e-maritime can not address every role, there must be a focused approach. (AZ)

The use of Information & Communication Technology (ICT) within training:

The next few years should see a move away from a generic “one size fits all” approach to training. Training should start with identifying processes and then specifying training requirements. This better facilitates cost benefit analysis. Simulators have been used in ship/plane training but there are promising studies¹²³ which demonstrate the benefit of simulating management decisions and their impacts. E-Learning is achieving wider adoption and will become more prevalent in the future for training (education/career development). (KOD)

This move forward is in line with practices in many industries from oil & gas to aviation. All participants agreed on the importance of utilising current ICT to improve the access to training and hence better standardisation.

One of the advantages of simulator based training is the fact that experienced operators need not be taken from their work to train new staff. This is the case in Dublin port. Simulators are also very effective for evaluating potential staff before hiring. (KOD)

Ship simulators are very good but they do not provide “the feel” of the ship. (DS)

One of the largest benefits of ICT training in the transport sector in Ireland has been on SMS messaging. Text messages are been used to send up-dates to truck drivers on ship arrival/departure. (JW)

It was accurately pointed out that different actors within the transport chain have very different training requirements. Web based training will see problems, requirements for basic level of education and computer skills. (JW)

It was also pointed out that in the current economic climate big companies would continue to spend on training but SMEs may not be in a position to invest. (JW)

¹ Integrating a discovery-based lab to teach supply chain management fundamentals in an undergraduate management course. Amy Zeng & Sharon Johnson, *Innovation in Education and Teaching International*, Volume 46, Number 1, February 2009, p71-82.

² Simulating reality for teaching strategic management, Danial Arias Aranda, *Innovations in Education and Teaching International*, v44 n3, Aug 2007, p273-286

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Implementation of Training:

The example of Dublin Port was provided where a map of all of the processes in the port was generated (as part of the EFFORTS project) and then the training needs were tailored around this plan. (KOD)

Given the current economic climate the maximum benefit must be extracted from training. Utilising the approach presented by Dublin Port, it should be possible to rank processes and hence training requirements in terms of importance. To take it a step further within each mapped process the training of particular individuals will elicit a higher return than others (e.g. training managers, leaders, etc.) This approach could result in industrial relations challenges and additional upfront work. (JK)

In response to this comment the cost of not training was emphasised (the recent Air France accident will cost Air France approximately €100Million). Safety should still remain a high priority as if you are safe you are competent. (KOD) This point was acknowledged by the group, however, it was noted that safety is one way of driving training but others exist that should not be overlooked. (JM)

General Comments:

Can we use e-maritime initiatives to attract more qualified people into the industry from more diverse backgrounds? (IT) The group consensus was that e-maritime would require additional personnel with ICT knowledge.

Conversion courses for mariners coming ashore are poor and mariners usually have to start at the bottom of the management ladder again. (DS) The group consensus was that this was an extremely relevant topic in light of the volume of ships being tied-up and the number of mariners being left with no choice but to come ashore.



Figure 3 Theme 1 Group

³ Applying motivation analysis in a web based course, Lih-Juan ChanLin, Innovations in Education and Teaching International, 1470-3300, Volume 46, Issue 1, 2009, p91 – 103.

1.2 Breakout Session Theme 2 Report

Theme Title: “Networking strategies in Intermodal transport - the potential role of SPCs”

Objective: To identify steps needed to increase networking amongst SPCs

Facilitator: Dr Takis Katsoulakos (Inlecom, UK)

Rapporteur: Ms. Gráinne Lynch (Nautical Enterprise, Ireland)

Participants:

1.	Mr	Carlos	Alvarez-Cascos	CC	Acciona Trasmediterránea	Madrid, Spain
2.	Mr	Juan	Sáenz-Aróstegui	JA	Acciona Trasmediterránea	Madrid, Spain
3.	Dr	Fernando	Caldeira-Saraiva	FCS	BMT Group	Middlesex, UK
4.	Ms	Georgia	Matheou	GM	EBOS	Nicosia, Cyprus
5.	Mr	Alberto	Magrassi	AM	Elsag Datamat	Genoa, Italy
6.	Dr	Takis	Katsoulakos	TK	Inlecom	London, UK
7.	Mr	Viktors	Borisovs	VB	Jurzeme SIA	Riga, Latvia
8.	Mr	Aigars	Gailis	AG	Maritime Administration of Latvia	Riga, Latvia
9.	Mr	Janis	Krastins	JK	Maritime Administration of Latvia	Riga, Latvia
10	Ms	Zé	Carrapichano	ZC	MJC2 Limited	Berkshire, UK
11.	Ms	Gráinne	Lynch	GL	Nautical Enterprise	Cork, Ireland
12	Ms	Lise	Skovby	LS	Øresund Logistics	Copenhagen, Denmark
13	Mr	Steen	Sabinsky	SS	SPC Denmark	Copenhagen, Denmark
14	Ms	Riitta	Pöntynen	RP	SPC Finland	Pori, Finland
15	Mr	Vladas	Sturys	VS	SPC Lithuania	Palanga, Lithuania
16	Mr	Antti	Permala	AP	VTT Technical Research Centre	Espoo, Finland

Short Summary of the Facilitator’s paper and introduction to the theme

Dr Takis Katsoulakos (TK) introduced the key points in his paper. Dyer and Singh (1998⁴) shed light on the relationship between the firm’s competitive position and the network of relationships in which the firm is embedded by identifying four sources of competitive advantage:

- relation-specific assets;
- knowledge-sharing routines;
- complementary resources/capabilities;

⁴ J H Dyer and H Singh, 1998, The relational view: cooperative strategy and sources of inter-organisational competitive advantage, in: Academy of Management Review, Vol.23, No.4

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- effective governance.

Business networks essentially represent a company's *social capital*, which have been categorised by Nahapiet & Ghoshal (1998⁵) as:

- *structural*: network ties, density, configuration and appropriateness;
- *relational*: trust, norms and obligations and the extent to which such qualities are shared among the parties;
- *cognitive*: knowledge absorptive capacity denoting the ability of the firm to identify and value, assimilate and exploit information

Networking strategies in intermodal transport are defined by two aspects;

- The intermodal transport itself and how complementary resources, knowledge sharing and governance can be optimised, and
- Business networking specifically to promote intermodal services facilitated by SPCs.

SPCs are essentially business networking organisations through the European Shortsea Network (ESN), but not for the establishment of competitive advantage, but they can capitalise on the *building of complementary resources*. Thus the key challenges for SPCs are to assist in the development of social capital in port regions and to assist in the acquisition and development of marketing knowledge and capabilities. TK put it to the group that

- Collaboration of SPCs with PROPS and SKEMA in knowledge development could yield advantage creating resources for the promotion of Short Sea Shipping in line with EU policies
- We need to define high value knowledge elements and the participants for their development

The group discussion then focused on developing strategic networking strategies for SPCs.

Key points raised by the participants in Theme 2

1. TK – SPCs should become more keenly involved in Business Networking in order to develop social capital and associated capabilities.
2. The SPC Lithuania representative, Mr Vladas Sturys (VS), entirely agreed with TK's position and said that SPCs had to move away from providing information such as pricing and scheduling as this information is readily available on the internet. Instead, SPCs must move towards a more strategic view of intermodal transport and value added research and development with networking as the cornerstone. Since 1997, the Lithuanian Shortsea Promotion Centre has been expanded to include Lithuanian railway, stevedoring, freight forwarding, and road carrier agencies in addition to state and regional government and research institutes in universities. The organisation is now an Intermodal Promotion Centre, which sees the cooperation of authorities, science and researchers as a prerequisite for the development of the Baltic Sea Region transport system improvements.
3. The SPC Denmark representative, Mr Steen Sabinsky (SS), said that they work with researchers and other organisations in an interdisciplinary manner to lobby government to prioritise SSS. Case studies are an important aspect of convincing the authorities to change. However, the authorities

⁵ J Nahapiet & Ghoshal, (1998), Social capital, intellectual capital and the organisational advantage, Academy of Management Review, 23(2),

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are external to the SPC organisations and therefore the strategy is not quite as 'joined up' as it might be in Lithuania.

4. The SPC Finland representative, Ms Riitta Pöntynen, suggested that the individual SPCs are certainly taking the intermodal view into perspective, which could be extended to the ESN.
5. Mr Viktors Borisovs (VB) from Jurzeme SIA in Riga asked how can networking assist Latvia, given border problems, under utilisation of certain ports and congestion at others, and customs issues on transshipments via train from Russia. Assistance is required to set up the relationships necessary to drive things forward.
6. VS proffered that in order to build complementary resources between SPCs (and IPCs) that networking should occur in clusters around intermodal transport corridors.
7. Mr Carlos Alvarez-Cascos (CC) Acciona Trasmediterránea in Spain followed this comment with an example of the need and benefit of clustering along a corridor. In a real life business case involving a 'Motorways of the Sea' project between France and Spain where 100,000 TEUs would be transferred from road to sea annually, convincing stakeholders that SSS is a cheaper more sustainable option is not easy. If stakeholders in the hinterlands benefiting from the MOS service(s) formed a strategic managed cluster where the freight volumes could be shared along the corridor, then the whole network would become efficient and lucrative. This kind of networking alliance could share complementary resources and knowledge capabilities to solve practical issues such as integrated market research, clearing transactions across jurisdictions, insurance and the development of procedures that follow best practices. CC is working with SPC France and SPC Spain in the set up of this strategic network.
8. Finally, Dr Fernando Caldeira-Saraiva from the BMT Group in the UK suggested that one way to bring SPCs and processes in line for the benefit of all stakeholders in the transport and logistics market would be to include them in the e-Maritime initiative as well as the e-Freight initiative. Therefore the promotion of SSS and intermodality could mesh into the promotion of the technologies that underpin its success.



Figure 4 – Theme 2 Group

1.3 Breakout Session Theme 3 Report

Theme Title: “Factors favouring SSS & Intermodal transport; suggestions as to how each favourable factor may be promoted; benefits & targets”

Objective: To identify factors favouring SSS, suggest realisable benefits and targets for the promotional potential of each of these factors.

Facilitator: Mr Gerry Trant (Nautical Enterprise, Ireland)

Rapporteur: Mr Dominic Jarvis (CETLE, Netherlands)

Participants:

1.	Mr	Dominic	Jarvis	DJ	CETLE	Rotterdam, NL
2.	Ms	Beatrice	Comby	BC	European Maritime Safety Agency	Lisbon, Portugal
3.	Ms	Martina	Fontanet	MF	European Sea Port Organisation	Brussels, Belgium
4.	Mr	Gerry	Trant	GT	Nautical Enterprise	Cork, Ireland
5.	Mr	Óscar	Díaz	OD	PORTEL	Madrid, Spain
6.	Mr	George	Petkov	GP	SPC Bulgaria	Sofia, Bulgaria
7.	Ms	Anna	Risfelt Hammargren	ARH	SPC Sweden	Stockholm, Sweden
8.	Prof	Johan	Woxenius	JW	University of Göteborg	Göteborg, Sweden

Short Summary of the Facilitator’s paper and introduction to the theme

The Facilitator prepared and circulated a paper to the participants prior to the Riga meeting outlining three potential factors favouring SSS and intermodal transport, providing suggestions for promoting each factor and identifying realisable benefits and targets therewith.

The three potential factors favouring SSS and intermodal transport, as outlined, were:

1. Intermodal transport sustains trade between regions in Europe and the long-term relationship between trade growth and GDP growth is approximately 2:1.

Suggestion for Promoting SSS & Intermodal Transport: Businesses, communities and policy makers should be made aware of the economic benefits of interregional trade and how SSS / Intermodal transport can facilitate such trade.

Targets for Improving SSS & Intermodal Transport: Targets can be set for improved interregional trade (exports) with a view to improving GDP over time. The necessary improvements to SSS & Intermodal transport should be identified for achieving the targeted increases in interregional trade.

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2. There is an environmental dividend from increased use of SSS and intermodal transport.

Suggestion for Promoting SSS & Intermodal Transport: Establish Green Certification for D2D SSS & intermodal transport; promote the Green Certification both as a solution to environmental protection and as a practical expression of Corporate Social Responsibility for shippers and transport operators.

Benefits of Green Certification for SSS & Intermodal Transport: A quality brand can be conferred on goods transported with Green Certification;

Green Certification would provide a competitive advantage for goods produced in Europe, compared to goods produced in non-European states;

Green Certification that pertains to the total transport chain is positively related to transport efficiency. That is, reducing the environmental impact in an intermodal network, which is a generally accepted objective, improves the overall efficiency, which is difficult to achieve on its own accord.

3. A high level of security can be achieved for goods in transit using SSS/Intermodal transport.

Suggestion for Promoting SSS & Intermodal Transport: Create a security brand for SSS / Intermodal Transport based on adherence to the International Ship & Port Facility Security Code (ISPS Code), initially targeting market segments requiring a high level of security.

Benefits of a security brand for SSS & Intermodal transport: Long haul trucking does not have to comply with any special international security code; the security brand would give SSS & intermodal transport a competitive advantage for high value and intermediate value goods.

Key points raised by the participants in Theme 3

Most of the one-hour breakout session was devoted to a lively debate on the three points as outlined above. The Facilitator requested that each participant should prepare additional points that would be discussed towards the end of the session.

1. SSS / Intermodal transport sustains trade between regions in Europe and trade supports prosperity in the trading regions.

Initial discussions focussed on whether or not interregional trade helps generate wealth (GDP growth) in trading regions. Taken from Ricardo's theorem of Comparative Advantage, GT and JW argued for the case, although JW did stress that the link between trade growth and GDP growth is volatile. GT stated that the importance of trade is underemphasized. He provided an example from Ireland where a national policy promoting trade (exports) in the 1960's and consistently applied resulted in an average GDP growth of 4% per annum thereafter. This went into reverse in recent years when a property bubble prevailed, pumped up by banks and supported by acquiescent state agencies.

While it can be argued that trade growth underpins prosperity growth, OD pointed out that facilitating trade is not the sole prerogative SSS, that trucking is efficient and that it meets the needs of the market with fast deliveries. GT agreed that this is so, that the market has to be segmented. For goods requiring fast D2D deliveries, such as perishable food stuffs, trucking has no competitor. Shipping has its own market segment, which is for durable goods that are purchased for stock, and this segment can constitute up to 60% of the unitised market.

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ARH pointed out that shipping needs to be efficient if it is to win market share. This was generally agreed and, further, that shipping is not always as efficient as it might be. BC reckoned that economies of scale can be a factor in achieving efficiency, using Singapore as an example where the high speed of terminal operations appears to be a function of volume.

DJ stated that geography is critically important for the relative competitiveness of SSS / intermodal transport.

OD summarised this section by saying that geography, type of commodity and efficiency affect the economic argument for SSS / intermodal transport; that goods transported between peripheral states probably obtain greater benefit from SSS / intermodal transport than two neighbouring states; likewise SSS should target specific commodities, as there are different benefits to be obtained from RoRo, LoLo and Bulk.

2. There is an environmental dividend from increased use of SSS and intermodal transport.

BC questioned a universal green dividend in the use of SSS / Intermodal transport, compared to long-haul trucking. This was debated for a while, with some level of consensus that a green dividend is obtainable with SSS / Intermodal transport. Nevertheless, it was understood that the circumstances and conditions for such a claim need to be specified.

DJ outlined the Green Award initiative (based in Rotterdam) whereby shipping companies and vessels demonstrating a certain standard in safe and clean operations may expect benefits, such as reduced port dues or even discounts for other services such as certain training institutes.

It was agreed that authenticated green transport would have resonance in the market, as shippers do not want to be associated with pollution; rather, they wish to portray an environmentally friendly image for their products.

BC pointed out a further environmental benefit of SSS / Intermodal transport is that, whilst cargo handling in ports usually takes place during daylight, the through-transport by road & rail is often carried out at night, leading to less congestion on the roads by day.

JW stressed that the “environmental cost” should not focus on tonne/km’s, as a container from Singapore to Europe may be more environmentally efficient than one going between two EU member States.

3. A high level of security can be achieved for goods in transit using SSS/Intermodal transport.

SSS / Intermodal transport has to comply with the International Ship & Port Facility Security Code (ISPS Code) and has to incur the initial and ongoing costs of compliance, whereas goods transported by long-haul trucking do not have to comply with any such international code. The suggestion was presented that a security brand for SSS / Intermodal Transport be created, based on adherence to the ISPS Code.

DJ questioned the use of the ISPS Code as a promoting factor for the security of SSS / Intermodal transport. He stated that the ISPS Code focuses on the vessel and the terminal and is primarily concerned with ensuring that the vessel and terminal “match” in terms of security.

Whilst there is a case favouring the security of SSS / Intermodal transport, it was felt that this needs to be authenticated in terms of the frequency of incidents by sea vs. those by road, and insurance costs by sea vs. those by road.

Additional Factors

The following additional points were presented by OD, MF, JW and BC:

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4. Safety of SSS / Intermodal transport vis-à-vis long-haul trucking.

It was felt that this is an important promotional factor, although the relative safety of the competing transport modes would need to be substantiated. Safety with Security and Environmental friendliness are a powerful combination that can be used to raise the image of SSS / Intermodal transport. This complements the point made by John Whelan of IEA at the PROPS workshop in London⁶, that if SSS were promoted solely on the basis of cost, there is a danger of it being downgraded to the status of a commodity and it would suffer accordingly.

5. Social impact of SSS / Intermodal transport vs. Long-haul trucking.

Long-haul trucking is a significant contributor to congestion on European roads, whereas SSS / Intermodal transport alleviates such congestion through the use of Europe's seaways.

6. EU Policy supports the development of efficient SSS / Intermodal transport

This is an influential point that can be raised in particular circumstances, such as in planning applications for infrastructural developments in ports. The support of EU policies was used effectively by rail some years ago.

7. The creation of Regional Hubs.

Using the port of Gioia Tauro (Italy) as an example, it was suggested that the creation of Regional Hubs would help achieve volume and efficiency increases, ultimately leading to price reductions.

8. SSS / Intermodal transport pays for use of its Infrastructures, while long-haul trucks do not.

SSS / Intermodal transport pays for the use of port infrastructures, to the extent that revenues for the cargo handling in modern terminals cover all costs, including development costs. By comparison, road transport does not cover the costs of road infrastructures, which provides road freight with a comparative advantage. SSS / Intermodal transport would not require equalising subsidies, rather that ports should be supported rather than hindered in their development programmes.



Figure 5 - Theme 3 Group

⁶ PROPS Workshop in London 24th February 2009

1.4 Breakout Session Theme 4 Report

Theme Title: “The environmental benefits of SSS & Intermodal transport; means of capitalising on the benefits and how these might be promoted”

Objective: Identify environmental benefits of SSS compared with road transport and how these may be better communicated to transport users and operators.

Facilitator: Dr. Catrin Lammgård (CL) (School of Business, University of Goteborg)

Rapporteur: Ms. Mary Liddane (Nautical Enterprise)

Participants:

1.	Ms	Linda	Ramstedt	LR	Blekinge Institute of Technology	Karlskrona, Sweden
2.	Mr	Cees	Glansdorp	CG	CETLE	Rotterdam, Netherlands
3.	Dr	Nick	Ward	NW	General Lighthouse Authority	London, UK
4.	Dr	Heather	Leggate	HL	Global Policy Institute	London, UK
5.	Dr	Catrin	Lammgard	CL	University of Göteborg	Göteborg, Sweden
6.	Ms	Mary	Liddane	ML	Nautical Enterprise	Cork, Ireland
7.	Ms	Zoi	Nikopoulou	ZN	University of Göteborg	Göteborg, Sweden
8.	Prof	Stratos	Papadimitriou	SP	University of Piraeus	Piraeus, Greece
9.	Prof	Jacob	Kronbak	JK	University of Southern Denmark	Esbjerg, Denmark
10.	Mr	Jan	Boyesen	JB	Øresund Logistics	Copenhagen, Denmark

Short summary of the facilitator’s paper and introduction to the theme

CL: The paper circulated was based on the work carried out for the SKEMA consolidation platform current studies. The consolidation study was carried out within work package SE4.3.3. The aim of this is to look at marketing the environmental benefits of SSS as opposed to road transport.

The studies mentioned in the paper that was provided are based on transport buying companies and the evaluation of the environmental influence on the choices which they make. A Swedish example is the non-profit organisation NTM (Network for Transport and Environment) which has provided environmental evaluation forms which calculate emissions and was initially focussed on land based transport and not shipping. Initiatives for SSS are now being developed.

CL created a process-focussed model as part of her PhD thesis “Environmental Perspectives on Marketing of Freight Transports-The Intermodal Road-Rail Case” (2007). It can be used as a tool in

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analyzing how to create customer value for freight transport buyers. The Model was elaborated on by the large survey conducted. The survey was based on quantitative results and analysed with multivariate analyses e.g. factor analysis (including not just the economic factors).

The key issue for transport forwarders is demand. The survey carried out in 2003 dealt with large transport buying companies. The results were presented from different customers (i.e. manufacturing companies) who were more willing to pay for the services. The environmental management system in place and the purchasing context for companies were important whether the company was smaller or larger. Another example is that a large transport provider has stated that the environmental issue was ranked in 7th place in their customer surveys regarding the most important future question regarding their transports a few years ago, but today this is the most important aspect.

The Sea and Water Survey (carried out in the UK) showed a positive attitude to water based transport. Also, an example of the sustainability management issue (in Sweden) is investigated through the Clean Shipping Index (a study which was carried out by an NGO partly funded by the EU).

The Clean Shipping Index is aimed at transport buyers in an attempt to evaluate shipping agencies. There are 20 factors to be taken into account. The index has been operational for one year. Transport forwards have formed their own interest groups based on the information obtained from the Index to take advantage of the knowledge already available. The paper presented by CL does not investigate the polluter pays principle. The basis is not of new research but a consolidation of existing research.

Key points raised by the participants in Theme 4

The shipping industry should see itself as part of the transport chain rather than its current perception that it is a separate industry. This is limiting the ability to market the environmental benefits of SSS.

Research studies indicate that large transport-buying companies, the shippers, consider the environment to be a more important issue than smaller companies. One must look at the market segmentation of the companies involved to provide a comprehensive range of solutions. Many companies, while regarding the use of water based transport as being good for the environment, do not choose it where it is possible to do so. It is important to understand the motivation behind why companies make this choice.

Corporate Social Responsibility (CSR) is becoming increasingly important to companies for their brand image. Investors place a high emphasis on CSR because it is believed to be linked to good management strategies and work practices within the company. The stakeholders involved with SSS should try to capitalise on the positive impact of its environmental benefits. The good examples used by certain stakeholders, for example the use of LNG ships, reduction of emissions, safety compared to road transport, etc. are not communicated either to the public nor to the customers (i.e. the shippers or their eventual customers). SSS must engage with the marketing profession to better promote itself and to highlight the good examples in order to gain a benefit over other forms of transport.

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The various stakeholders involved in SSS, i.e. the ports, freight forwarders, ship owners etc., should be educated regarding the effect of certain types of transport on the environment. The shipping industry must promote and communicate the environmental costs of using various transport modes. The negative aspects of using SSS are not hidden; however, all the negative aspects of road transport (land use, run off etc) are similarly not included in a comparative analysis which tends to focus on emissions. The shipping industry has difficulty promoting its environmental image as distinct from other modes of transport. Transport providers must promote their own environmental benefits. The focus at present is about trying to market shares from their rival, not from other modes of transport. A lack of knowledge exists regarding the use of decision support tools to facilitate the different actors.

New regulations will continue to emerge in an attempt to better protect the environment. Current regulations in relation to the reduction of emissions associated with NOx and SOx impact SSS. Transport operators and shipping companies should see these regulations as not just a threat to their market share but rather an opportunity to capitalise on the changes and an opportunity to collaborate with other stakeholders. SSS can benefit from the good publicity surrounding the use of environmentally better fuels, even where the use of such fuels is mandatory.

Customers are increasingly aware of their own environmental footprint. This can be used as a marketing tool for companies involved in SSS. Users of transport are aware that further regulations and the increase in the price of fuel will continue to affect their choices. SSS should communicate its benefits to attract more high profile users.



Figure 6 – Theme 4 Group

1.5 Breakout Session Theme 5 Report

Theme Title: “Marketing SSS and intermodal transport, incorporating training, networking, economic and environmental considerations”

Objective: Identify marketing strategies and conduct business case analysis for promoting SSS in collaboration with SPCs.

Facilitator: Mr Neil Cameron (Bell Pottinger, UK)

Rapporteur: Mr Pedro Mano (TIS.pt, Portugal)

Participants:

1.	Mr	Neil	Cameron	NC	Bell Pottinger	London, UK
2.	Mr	Christos	Pipitsoulis	CP	DG for Transport and Energy	Brussels, Belgium
3.	Ms	Viara	Bojkova	VB	Global Policy Institute	London, UK
4.	Ms	Marzena	Kozuch	MK	Irish Exporters Association	Dublin, Ireland
5.	Mr	Andris	Vēliņš	AV	SIA Containerships	Liepaja, Latvia
6.	Mr	Pedro	Mano	PM	Transport, Innovation and Systems	Lisbon, Portugal
7.	Mr	Ioannis	Koliouris	IK	University of Piraeus	Piraeus, Greece
8.	Ms	Johanna	Särkijärvi	JS	University of Turku	Turku, Finland
9.	Ms	Irene	Rosberg	IR	Copenhagen Business School	Copenhagen, Denmark

Short Summary of the facilitator’s paper and introduction to the theme

The facilitator of theme 5, NC is responsible for PROPS promotion. The discussion was based on the 5 points included in a paper he prepared:

1. Previous campaigns that publicised SSS initiatives
2. The development of press releases, interviews, story ideas to raise PROPS’ profile among relevant stakeholders.
3. Collaboration with SPCs
4. Development of SSS business cases
5. Connection with relevant EU funded projects.

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The facilitator addressed the possibility of dividing the PROPS marketing efforts into several homogeneous regional groups of SPCs. This regional approach may help to overcome the difficulty of trying to communicate with all the SPCs at one time, and enable us to communicate with a small group of SPCs to see what information PROPS can provide would (or would not) prove useful to them. Ideally, each of the proposed SPC regional groups would have common areas, customers, issues, and routes. In time, this approach could make it easier to bring all the SPCs together, rather than developing a strategy for the entire continent at this stage.

Ideas to promote SSS were also discussed. From AV's perspective, about 30% of SSS customers are mainly worried about cost; with the remaining 70% concerned about the level of service they are given. This insight may be relevant in deciding how strongly to promote SSS's service levels to potential customers during the PROPS campaign.

Additional publicity elements were also discussed. For example, there are companies willing to listen to pro-SSS arguments, such as environmental benefits, (which are very important to IKEA), as well as the idea of delivering on time (guaranteeing SSS delivery times to some customers is better than road transport in some areas). Another aspect of SSS transport that is valued by customers (but could be improved still further) was the ability to track orders and having customer service representatives available in case problems arise.

When publicising SSS, the dissemination of successful route case studies (such as the Barcelona to Rome route) has an important role. Several sources of information are available regarding SSS services, such as the European Shortsea Network website and Intermodal Transport Services-Information Tools or ITS-IT (www.viacombi.eu) that may have useful information that are perhaps not being widely utilised as they should be. PROPS could try to make these online services information more accessible and easier to find.

Key points raised by the participants in Theme 5

After going through the discussion paper, the facilitator stressed the need for finding a way to differentiate PROPS from other projects and make it interesting and useful to promote SSS.

CP reminded the group that PROPS should focus on promoting SSS, and not on promoting the project itself.

JS mentioned the connection of the University of Turku and the Finnish SPC. She considers that it may become problematic if PROPS is considered the core of the marketing effort. In future workshops, with more specific marketing objectives, PROPS will focus on the latest developments of SSS, rather than promoting the project. It will work as a platform for communication and dissemination.

IK outlined PROPS' objectives: the project will try to come up with some new tools and marketing material that will be tested initially within PROPS with the help of the SPCs cooperating with the project. Then after

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fine tuning, when this material is considered useful, it will be used by all the SPCs in their dissemination activities.

CP stated that SSS has been one of the top priorities of the European Commission for many years. SPCs were created as national offices to implement policies favourable to SSS. One of the main problems for SPCs is that they do not have enough funding. Following the idea of promoting SSS, this project came along with the objective on one side to do marketing, and on the other side to provide tools to facilitate SPCs' work.

JS considered that the methodology of holding workshops is already exhausted and that a new concept should be devised to promote SSS. Groups by region could be formed with representatives of several companies involved with SSS courses. Some of these representatives are willing to support the training costs on a personal development basis, avoiding the training costs to be supported by the SPCs.

CP raised the need of the freight volumes and the necessary concentration of freights, as a requirement for SSS to be economically feasible.

VB questioned about how SSS could be promoted and argued that the global economic crisis is causing a decrease in long distance freight movement which may also affect SSS.

AV stated that SSS is basically competing with road trailers. He reminded everyone that in financial terms, SSS could imply additional costs (such as terminal costs, stevedoring charges, handling costs, and the "road leg" in both ends of the door to door services) when compared to trucking costs. Therefore the SSS shipment cost is tightly constrained by market forces. He also finds Marco Polo subsidies a great idea; however these are only applicable to new players entering the market, not to existing operators who want to increase their services.

JS asked if there is a "green tool" that helps to calculate the "environmental footprint" of the road and inter-modal transport. This would be useful to illustrate in a quantitative way the environmental argument supporting SSS. Simplicity of documentation should also become an argument for SSS and not against.

PM mentioned the existence of another ongoing EU project, entitled "Common Learning Action" funded by Marco Polo I, which is developing tools for the dissemination of intermodal transport, namely SSS (ro-ro only), Rail and internal waterways. This project provides a list of existing national subsidies to intermodal transport. It also presents a large number of best practice examples and successful cases of intermodal transport. A routing tool that is being developed by this project allows searching for intermodal services, and compares the door to door emissions between intermodal versus road-only transport. This project is called ITS-IT (Intermodal Transport Services – Information Tools) and the website (www.viacombi.eu) and routing tool will be available soon.

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NC recently spoke to journalists regarding the promotion of PROPS. He understands that the articles to be published during the project lifespan will have to be somehow different that what has already been published. New ideas and new information are required to provide fresh perspectives on what has been written in the last five years or so. This project also requires the involvement of SPCs because once it finishes, only the SPCs will be able to make use of the material produced.

New initiatives, ideas and services such as ones offered by smaller ports due to constraints in the bigger facilities, for example the environmental benefits etc., are becoming better known by ship owners and logistics companies. Some are still fundamentally concerned about cost, but others demand a higher level of service, almost similar to the one provided in air transport, with a fixed timetable, that guarantees them a day and hour of delivery, a contact person in case there is a problem, a web-based 'track & trace' information etc. Deepsea operators usually do not provide such information and are more difficult to contact than Shortsea operators.

A database of existing services is currently available in the European Shortsea Network website (accessed via the "search engines" link). In fact, it is quite relevant to list timetables, contacts, etc of operators by region. SPCs websites are heterogeneous, and only some of them are regularly used and updated.



Figure 7 – Theme 5 Group

Conclusion of the Breakout Session

Prof Papadimitriou brought the breakout session to a close.

The breakout session was very successful at honing in on specific issues and getting expert feedback and ideas as to how best to progress. The format shall be used again in future PROPS workshops. With that in mind suggestions for running an effective breakout theme have been noted below.



Figure 8 – A collection of Characters

Suggestions for an effective breakout theme group discussion

With 16 participants, Theme 2 attracted the greatest number of people compared to the other themes. This was a great indication that the theme was pertinent to a wide group of stakeholders from 9 EU member states. However, a group of 16 participants was too large and a number of operational disadvantages emerged; it was difficult for everyone in the group to hear what was being said by members that were not adjacent to them, and not everyone received an opportunity to contribute in the limited amount of time assigned to the theme.

It is recommended that the following guidelines be adopted in future breakout sessions:

- The Facilitator should prepare and distribute a discussion paper in advance of the breakout session.
- Breakout session groups should consist of ideally 8 but no more than 10 participants.
- Each participant should introduce themselves at the start of the group and be given an opportunity to state what interests them and how they would like to contribute to the theme being discussed.
- The discussion should be structured with the facilitator taking a strong role in keeping the points raised by the group members focused and pertinent to the theme being discussed.

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- Each group member should be encouraged to contribute a unique perspective relevant to the theme being discussed. These unique perspectives are excellent for both focussing on the succinct ideas arising from the theme discussions and potentially broadening the theme for further discussion and research at a later date.