

EU Port Services Regulation

In December 2016, the UK lost a fifteen year battle to stop the EU regulating our ports. After years of negotiations and three legislative proposals (two of which were previously rejected by the European Parliament), a text has been agreed. Although it is significantly watered down it still imposes a one size fits all approach to the diverse ports of Europe, which will generate significant uncertainty, bureaucracy and additional cost in the UK, while doing little or nothing to tackle the problems of the continental ports.

At the heart of the debate is a battle between two ports models. The state owned ports of Europe, who are often reliant on state aids, and the UK model of a mix of privately or publicly owned but all privately-financed ports, which operate with no subsidy. The UK's answer of encouraging competition between ports has lost out to the EU's answer of regulating ports to ensure competition within ports.

In practical terms this means that even private companies that own their own ports will be forced to put bunkering, waste collection, mooring and towage services out to tender and choose a minimum of two service providers, even if the currently arrangements work well. There are exemptions, but the whole process is time consuming and complex. The creation of a new system of penalties for infringements, combined with a new independent national complaints body whose rulings are binding, will generate uncertainty and undermine the commercial freedom of UK ports. And we fear this is the thin end of the wedge. Inevitably the Commission will be back to include more port services as the years go by.

That's why the UK Major Ports Group has consistently opposed the PSR. Implementation of the Regulation will damage investment and threaten jobs.

Our priority now is to ensure in the Brexit negotiations the UK is freed entirely from this Regulation.

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