

**THE UNITED KINGDOM
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Royston Cahill Esq.,
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Proposed European Directive on Intermodal Loading Units

Thank for your letter of 26th June inviting comments on the European Commission's proposal for a Directive on intermodal loading units (ILUs). I have consulted my members, and you will not be surprised to hear that there was considerable comment on the proposals from those ports with large container handling terminals. Although the idea of greater harmonisation for ILUs has superficial attractions, we feel that the Commission's proposals do not reflect the realities of the container handling industry.

As a preliminary general point, the ISO criteria for ILUs are widely accepted and have served the industry well over a long period. The entire container freight industry has structured itself around these criteria, and consequently has in place an extensive international infrastructure which is worldwide, not limited to Europe. Moreover the Regulations made under the Container Safety Convention require containers to be fitted with a durable marking plate specifying the lifting and stacking conditions, and the dates of inspections and lifting tests. It is our impression that compliance with these Regulations is high, and that the need for further legislation has not been established.

I now turn to the specific proposals in the draft Directive.

European Criteria for ILUs

The proposed regime for EU criteria for ILUs seems to differ only marginally from the existing ISO requirements. The only difference appears to be the requirement for the fitting of an anti-intrusion device (the criteria for which have not yet been worked out) and the requirement for inspections to be conducted at 2 yearly rather than 30 month intervals. In any case, the proposal would apply only

to containers manufactured in the EU, although there are very large numbers of containers circulating in EU countries which have been manufactured elsewhere and it would clearly be impracticable to attempt to prohibit their use with the EU. All in all we can see very little added value in this proposal.

The Proposed European EILU

We consider that this proposal is misconceived. The justification is that the slightly larger dimensions of the proposed EILU would allow it to carry significantly more European-size pallets than the existing ISO container. However the Commission appear to overlook that there are already large numbers of containers in use, in certain trades, which already have this characteristic. 45 foot containers are in regular use on the Irish Sea services and are being increasingly used for end to end services on the North Sea. There is no suggestion that the use of the EILU should be made mandatory, but the Commission appear to believe that its use would develop once its advantages were perceived. In fact, the market is already doing this, with slightly different dimensions for those envisaged for the EILU. As one of my members put it "The Commission are reinventing the wheel but with different dimensions".

We also consider that the Commission's paper significantly underestimates the cost to the shipping and ports industry of converting to the use of EILUs. The paper suggests that these costs will be "marginal". The costs of converting existing container ships would be considerable, and there would be a further potential cost for container terminal operators. In the UK, most of the rail network is still W10 gauge, which means that the use of the EILU on this country's railways would be heavily restricted. Most importantly, the proposal ignores the fact that a great deal of deep sea container movement takes place outside the EU, and if an EILU were to become the standard for movement between Europe and the rest of the world this would compound rather than solve existing problems of compatibility.

Our responses to the 4 questions posed at the end of your letter are therefore as follows

- I. No. EU legislation is inappropriate in this field.
- II. Not applicable, but see comments above about the range of dimensions currently available.
- III. Not necessary. The existing arrangements for inspections at 30 months work well and are quite adequate.
- IV. We regard this idea as misconceived and unlikely to catch on in practice.

If it would assist you we would be happy to enlarge on any of these points, but I imagine you will have received similar observations from the road, rail and shipping industries.

I am copying this to Phil Carey in ports division.

John Dempster,
Executive Director.