

The Government's response
to the report of the
Freight Study Group
Freight on Water – A New Perspective

June 2002

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INTRODUCTION

1. This document is the Government's response to the report of the Freight Study Group *Freight on Water – A New Perspective*.

2. The White Paper *A New Deal for Transport: Better for Everyone* published in 1998 set out the Government's plans for an integrated and sustainable transport system. It expressed the view that there was scope for promoting the use of water for freight transport, and confirmed that the Government would encourage the greater use of the inland waterways for freight where practical and economic. Freight Facilities Grant is available to encourage the use of the inland waterways for freight transport, and is designed to equalise the costs of using inland waterways with those of the road option.

3. The Freight Study Group was set up by the Department of the Environment, Transport and the Regions (DETR) in November 2000 to examine the scope for increasing freight traffic on the inland waterways of England and Wales. This followed an announcement in *Waterways for Tomorrow*, the Government's policy paper on the inland waterways, that a group would be created

“to examine cost-effective and practical ways in which freight transport on the inland waterways can be increased, and whether there is a need for further studies examining issues such as whether the niche market for freight carrying on the historic narrow and broad canals can be expanded”.

4. The Freight Study Group was formed of representatives from a wide range of bodies connected with the waterways, and was given the following terms of reference:

To consider and report on the following issues concerning the inland waterways of England and Wales:

- *Freight traffic suitable for the inland waterways.*
- *Barriers to increasing this traffic, and how they could be addressed.*
- *Ways in which the Freight Facilities Grant Scheme could be made more attractive to inland waterways freight projects.*
- *How to facilitate better integration and more traffic movements between tidal and non-tidal waterways.*
- *The respective roles of national, regional and local government, as well as the navigation/ports authorities and operators.*
- *How to promote the potential for more freight traffic.*
- *The need for further research.*

5. The Group submitted its report jointly to the Department for Environment, Food and Rural Affairs (DEFRA), and the Department for Transport, Local Government and the Regions (DTLR) on 12 March 2002.

SUMMARY OF GOVERNMENT RESPONSE

1. The Government welcomes the Group's report. It represents a thorough examination of freight carrying on the inland waterways. Its conclusions and recommendations have made a valuable contribution to Government thinking on the future role of the waterways for freight transport and, in particular, the potential which may exist to increase this type of traffic.

2. The Government acknowledges the Group's finding that freight carrying on the inland waterways has declined considerably in the post-war period and that most freight is now confined to the tidal waterways, and the larger canals and river navigations. It accepts the Group's view that reviving freight carrying will not be easy but it notes their overall conclusion that, given the right support, there is potential for increasing the volume of freight carried on the larger waterways. The Government also accepts the Group's view that the historic narrow and broad canals are unsuited to carrying large volumes of freight but provide opportunities for niche markets.

3. In the light of the Group's report the Government proposes to encourage the use of the tidal waterways and the larger canals and rivers navigations for the transport of freight commodities to which they are best suited. These would include not only traditional materials such as coal, fuel oil, aggregates, steel and timber but also those in new areas identified by the Group such as waste, scrap, construction materials, and abnormal indivisible loads. The Government also proposes to encourage the use of the historic canals for niche markets.

4. The Government will take the following main steps to encourage an increase in freight carrying on the waterways. It will

- Extend the Freight Facilities Grant scheme in its application to the waterways.
- Support the waterborne transportation of aggregates through the Aggregates Levy Sustainability Fund.
- Support the preparation of a good practice guide, showing how good planning can help support and encourage freight transport on the waterways.
- Provide a single focal point within the Department for Transport for all waterway freight issues.
- Support the industry through providing initial secretariat support for a reconstituted Freight Study Group, which will have as its principal objective the creation of an industry-led Waterways Freight Forum, and consider further assistance for specific projects which contribute to national policy.
- Encourage navigation authorities to give greater priority to freight.

5. The Government's response to the detailed recommendations in the Group's report are set out below (the paragraph numbers refer to the summary of conclusions and recommendations contained in Chapter 1 of the report). The responses apply mainly to the larger waterways and to the authorities responsible for them but they will, in some cases, also apply to the historic canals.

FREIGHT STUDY GROUP REPORT: RECOMMENDATIONS AND RESPONSES

Overall assessment

1.7 There is a very well understood environmental case in support of waterborne transport as an alternative to road transport. Previous research has concluded that the best approach to the development of waterborne transport is through coastal and international shipping rather than inland waterways. The survey of potential traffic carried out by the Group indicates that there is also a real demand for freight on the inland waterways, mainly in the traditional high volume, low value cargoes on the larger navigations. But there are some factors inhibiting this, such as the condition of the infrastructure and vessels, the shortage of skippers and crew, and the approach adopted to freight by some navigation authorities.

1.8 In the light of this the Group recommends that:

- a. The Government should give stronger support to the development of freight traffic on inland waterways, not least by endorsing the actions recommended elsewhere in this report. To promote their wider promulgation, DTLR and DEFRA should sponsor a national seminar on “Freight on Water” following publication of this report.**

The Government will encourage an increase in waterborne freight as set out in the responses to individual recommendations. The Government considers it would be more appropriate for the industry, perhaps as one of the initial priorities of the proposed Waterways Freight Forum, to hold a national seminar to promote the carriage of freight on water. It would be willing to participate in such an event.

- b. Freight should be an explicitly recognised responsibility in the objectives of the navigation authorities for which Government has responsibility.**

The Government has responsibilities for three navigation authorities – British Waterways (BW), the Environment Agency and the Broads Authority. BW is already required by its Framework Document to facilitate water transport and DEFRA will strengthen this to encourage it to exploit opportunities for freight traffic. The other authorities are not formally required to facilitate freight transport but the Government will encourage them to do so bearing in mind the character of their waterways and their potential for freight transport.

- c. Navigation authorities should adopt policies of positive support for freight traffic, allocating management responsibility to give a higher profile to freight where necessary.**

The Government would welcome navigation authorities reviewing the structure of their organisations to ensure they give higher priority to freight where the waterway is already used, or has the potential, for this traffic. It welcomes British Waterways’ creation of a new post of Head of Freight Development to give a higher profile to freight within the organisation.

- d. Waste collection and waste disposal authorities should take a proactive approach to the movement of waste and recycleable materials by water where appropriate.**

The Government supports the carriage of waste and recyclable material by water and wishes to encourage authorities to use this mode of transport where possible.

Guidance on municipal waste management strategies issued by the former DETR draws attention to the environmental and economic advantages which can be achieved when rail or water are used for transporting waste instead of road vehicles. Furthermore, PPG10 *Planning and Waste Management* recommends that opportunities for using forms of transport other than road haulage should be considered actively and seriously by planning authorities when preparing waste development plans, and by prospective developers when putting forward proposals.

Whilst the Government encourages local authorities to give full consideration to water transport it is for them to determine their own waste strategies. The guidance on municipal waste management strategies requires them to demonstrate that they have thought laterally about how they transport waste and have given full weight to the environmental benefits of rail and water transportation as alternatives to road haulage when practical. In doing so they must have regard to the “proximity principle” and “best practicable environmental option”. Clearly a major consideration will be the existence of a suitable local waterway. For some authorities the distance or lack of access to such a waterway may undermine the sustainability argument for transport by water. However Freight Facilities Grant may be able to help overcome this difficulty.

- e. The development of a freight management system capable of supporting a multimodal transport chain incorporating inland waterways and coastal shipping as well as road and rail should be supported by the Government.**

The Government agrees that there is a need for information and co-ordination between transport modes to enable adequate traffic to be found to support waterborne services. It therefore agrees that the development of a freight management system supporting a multimodal transport chain would be advantageous. It notes that there are currently two commercial systems in existence that give real-time information, but do not incorporate all modes. The Government believes that this is something that the industry should pursue with other sectors of the freight industry ideally through the proposed Waterways Freight Forum.

Planning policy

- 1.9 Despite the generally supportive statements in current planning guidance, more needs to be done through the planning system to promote the transport of freight by water and to safeguard waterside sites for freight purposes.**

- 1.10 The Group recommends that the following actions be taken:**

- a. A good practice guide should be produced in support of the new PPG13 *Transport*, drawing attention (inter alia) to ways in which the transport of freight by water can be encouraged. It should include a cross-reference to PPG25 *Development in Flood Plains* because of the risk that over-strict interpretation of the latter could inhibit freight-related waterside development (the considerations are not the same as for housing).**

The Government has no plans to produce a good practice guide in support of PPG13. However it would be willing to support a body such as the Association of Inland Waterway Authorities (AINA) producing a guide showing how good planning can help support and encourage freight transport on the waterways, with a view to it being published jointly with the Department for Transport, the Office of the Deputy Prime Minister and DEFRA.

PPG25 recognises the need for some waterside development in areas at high risk of flooding e.g. for navigation, water-based recreation uses, agriculture and essential transport and utilities infrastructure. Some freight-related waterside development could therefore be regarded as appropriate. An important factor in assessing the risk from flooding is the nature and currently expected lifetime of proposed

development and the extent to which it is designed to deal with flood risk. Paragraphs 37-38 of PPG25 draw attention to the fact that canals do not present so much of a risk as rivers and other watercourses. But, even within developed areas at high risk of flooding there is no bar on waterside development provided the appropriate minimum standard of defence can be maintained for the lifetime of the development. PPG25 recognises that the requirements for commercial and industrial development differ from those for housing in that it specifies a minimum standard of defence for new housing but expresses this only as an aim for commercial and industrial development.

- b. A major role of Regional Transport Strategies is to protect and develop transport systems such as inland waterways, which extend across local authority boundaries. Local authorities should be encouraged to produce an inventory of wharves and waterside facilities as part of their Development Plans or Local Transport Plans (LTPs), and where these are significant to re-affirm their commitment to promote water transport as one aspect of their policies for integrated transport development.**

The Government's *Guidance on Full Local Transport Plans* (March 2000) requires local transport authorities, as part of their sustainable distribution strategies, to maximise the potential of waterways in their area and to set out their proposals in their Local Transport Plans (LTPs). They are also required to provide evidence in their LTPs that opportunities for greater use of water freight are being taken into account in land use planning decisions.

Local transport planning is based on the principle that local solutions should be found for local problems. The Government does not therefore think it would be appropriate to require local authorities to compile an inventory of wharves and waterside facilities. However it would encourage them to do so where this would be a useful planning tool in their own local context.

- c. In particular, there should be encouragement for businesses with water freight potential to be located on waterside sites, as recommended by ETRAC.**

PPG4 *Industrial and Commercial Development and Small Firms* (November 1992) makes it clear that development plans should "encourage new development in locations that can be served by more energy efficient modes of transport". It also says that exploiting the development potential of appropriate sites close to water, for sustainable transport reasons, is important; and that "planning authorities may indicate that they will give preference to proposals from industrial and commercial users who would benefit from efficient rail or water services rather than for retail or housing proposals which could be located elsewhere."

The Government has said in its Green Paper on planning reform *Planning: Delivering a Fundamental Change* that it will review PPG4. It will consider this issue further in the context of the review of PPG4.

- d. Stronger protection is needed for wharves with good freight potential. In the Thames area, Ministerial Directions are in place to safeguard 29 of the remaining riverside wharves but experience suggests that such Directions need to be reinforced by the selective use of compulsory purchase powers to prevent landowners leaving sites to become derelict in the hope of a future change of policy.**

The Government considers that navigation authorities should work together with local planning authorities to identify and seek to retain wharves with good freight potential.

The Mayor is responsible for the protection of wharves in London. His document *Towards the London Plan*, indicates that the Strategic Development Strategy (SDS) for London will cover "safeguarding wharves and protecting waterside infrastructure, including basins and docks, to increase commercial and freight use" in the context of a wider strategy for the Thames. The draft SDS will be issued for consultation in June this year. It will be for the Mayor to consider in the light of responses

to the proposals the degree to which compulsory purchase powers are needed to reinforce the policy of safeguarding wharves with good freight potential.

- e. The Group considers that a document summarising current planning guidance relevant to waterways is needed and welcomes the willingness of the Association of Inland Navigation Authorities (AINA) to produce such a guide.**

Appendix 3 of *Waterways for Tomorrow* summarises the planning guidance current at the time of its publication (June 2000) and explains its relevance to the waterways. The Government would have no objection to AINA producing an up to date guide to waterway-related planning guidance but it thinks that it would be of greater use for it to consider producing a good practice guide focusing on the use of the waterways for freight (see response to recommendation 1.10a).

- f. In reaching decisions on development proposals, which may adversely affect navigation on inland waterways, care should be taken that the views of those expert in these matters are fully taken into account, bearing in mind that waterways are often interlinked so that an obstacle on one may have a much wider impact. Where navigation authorities are statutory consultees their remit should be extended to take into account the impact of any planning proposal on waterborne freight.**

Local planning authorities are required to consult a variety of organisations and bodies about planning applications, the identity of the bodies depending on the type of development involved. British Waterways and the Environment Agency are statutory consultees.

The Green Paper *Planning: Delivering a Fundamental Change* suggests that the present arrangements for consultation are not working as effectively as they might. In particular, the distinction between statutory and non-statutory consultees has become blurred and consultation can often be a source of delay. The Green Paper proposes that the basis on which bodies are given statutory consultee status should be clarified, and the number of consultees reduced. It suggests that only those bodies whose advice has health and safety implications or which operate another parallel consent regime – such as listed building, playing field or environmental consents – will be given statutory consultee status.

No decisions have yet been made on how the proposals in the Green Paper will be taken forward. The Government will, in making a decision on statutory consultees, take into account the important safety role played by navigation authorities and the need to treat all authorities on a consistent basis. It will also consider the case for extending the remit of navigation authorities to take into account the impact of any planning proposals on waterborne freight.

Financial aspects

1.11 The financial framework for the inland waterways industry needs to be conducive to the objective of getting more freight onto water.

There are a number of actions which the Group considers would help to achieve this.

- a. Better systems of cost recovery for freight on waterways are needed. While it is helpful that there are no charges on some parts of the system, elsewhere the level of charges and their complexity and unpredictability acts as a deterrent to prospective customers. In the Group's view the overriding objective is that charges should be clear and predictable so that shippers can quickly establish the likely cost of any proposed freight movement. The Group therefore recommends that DEFRA gives sympathetic consideration to the proposal of British Waterways (BW) to replace its individually negotiated tolls and charges with a simple published tariff, or alternatively that BW tolls be abolished. It recommends that other navigation and**

port authorities should also review their charges for freight traffic and vessels on inland waters (including seagoing vessels trading to and from inland destinations) with a view to removing charges wherever possible and making those that remain as simple as possible.

The Government accepts that it would be helpful for navigation authorities to simplify and, where appropriate, reduce their charges for freight vessels in the interests of encouraging more freight traffic on the waterways. The proposed Waterways Freight Forum might be able to co-ordinate their efforts. British Waterways has developed a simplified tariff for freight which it proposes to introduce soon.

- b. The licensing/registration of vessels is also desirable, independently of changes that may be made to charging systems. The Group recommends that charges for vessel licensing/registration should be no higher than necessary to recover the costs of administration and there should be provision for reciprocal recognition of certificates between different authorities so as to avoid duplication of requirements. Uniformity of requirements is also desirable: the Registry of Shipping of the Marine and Coastguard Agency (MCA) is the statutory body for vessel registration matters and would be well placed to provide advice on a suitable model for other authorities.**

The Government would support the harmonisation of licensing and registration regimes and looks to the navigation authorities to discuss together, perhaps under the auspices of AINA, how this might best be achieved given the different statutory regimes under which they operate. It agrees that the advice of the Maritime and Coastguard Agency (MCA) should be sought on the technical requirements to be imposed on commercial vessels (see response to recommendation 1.13a).

The Government agrees that it would be in the interests of freight traffic for charges for the licensing/registration of commercial craft to be limited to the cost of administering the scheme. However it must be for individual authorities to consider the effect this would have on the funding of their operations.

- c. The Group welcomes the increase in Freight Facilities Grants (FFGs) allocated to inland waterways projects since 1997. The Group urges the Government to make more rapid progress in agreeing with the European Commission and putting in place the extensions to the FFG scheme authorised by the Transport Act 2000, including grants for non-capital purposes.**

The Government is taking steps to extend the Freight Facilities Grant (FFG) scheme as permitted by section 272 of the Transport Act 2000. The European Commission approved the extension of the scheme to coastal and short sea shipping in December 2001, and the Department for Transport has recently published a guide to the new opportunities for financial help provided by the enhanced scheme, available on the website at www.shipping.dtlr.gov.uk/grants/water/index.htm. The Department for Transport published a consultation paper seeking views on its proposals for a non-capital aid scheme in April 2002. This is also available from the website at www.shipping.dtlr.gov.uk/conindex.htm

- d. For the FFG scheme to be of the greatest possible use, the Group recommends greater flexibility in its administration so as to bring vessel refurbishment, leased/hired assets, and projects in anticipation of demand and expenditure to remove bottlenecks, as well as “track access” type grants within its scope.**

FFG may already be paid towards the cost of refurbishing vessels and leasing or hiring of equipment for use on inland waterways. However, the European Commission’s approval to the enhanced scheme rules out grant being given towards the cost of purchasing or refurbishing vessels used for coastal or short sea shipping. FFG is available for the removal of blockages on inland waterways and, where traffic is of a speculative nature, it can be paid in tranches as the traffic flow materialises. The

consultation paper on non-capital grant (see response to recommendation 1.11c) addresses the issue of “track access” charges.

- e. Noting the encouragement for intermodality in recent European Union (EU) transport policy statements, the Group recommends that DEFRA and DTLR should explore with the Commission the extent to which actions to revive the fortunes of freight transport on the waterways, such as those recommended above and elsewhere in this report, might be eligible for support under the Marco Polo programme.**

The Government supports the principle of the Marco Polo scheme and is actively involved in its finalisation. The Department for Transport will be responsible for the administration of the scheme in the UK, and is part of the Member States working group which is currently involved in discussions on the details of the package.

- f. Government should look for opportunities to provide fiscal incentives for waterborne freight (for example, in connection with the Aggregates Levy) and should avoid fiscal disincentives which have an impact on carriers and their customers (as happened when arrangements for collection of hydrocarbon duty were changed).**

The Government announced the distribution of the Aggregates Levy Sustainability Fund on 10 April. The fund will support work in three main categories – minimising the demand for primary aggregates, promoting environmentally-friendly aggregates extraction and transportation, and reducing the local effects of aggregates extraction. The element of the fund intended to promote environmentally-friendly aggregates extraction and transport will be distributed jointly through the Government’s FFG, Planning Research and Clean Up programmes. £6 million has been allocated to this category in 2002/03 and a further £6 million in 2003/04. Funding will therefore be available to encourage waterborne freight in appropriate cases.

Infrastructure and technology

1.12 The infrastructure and technology for freight transport on the inland waterways are in need of support, refurbishment and development if they are to fulfil their potential in a sustainable, intermodal transport system. The Group recommends the following actions be taken:

- a. A dredging programme be developed to ensure that the significant commercial waterways are maintained at an adequate depth to support the potential growth of freight traffic. This is particularly important where there are opportunities for traffic that are currently being thwarted by lack of draught.**

The Government considers that it should be for individual navigation authorities to assess the need for dredging of their waterways in the light of their current and potential use for freight traffic and any statutory requirements which may exist. The Government is prepared to consider applications for FFG towards the cost of one-off dredging operations where this is an integral part of a project designed to move freight by water rather than road.

- b. The Environment Agency should streamline the process for the granting of licences for the disposal of dredgings to minimise delays. The Agency should work with the dredging disposal operators with a view to extending its initiative of producing “shell” licences and associated guidance to cover the disposal of dredgings.**

Waste recovery and disposal activities must be licensed or covered by a registration exemption. If a licence is required, DEFRA supports the Environment Agency working with industry to implement the waste controls efficiently, but also in a way which ensures regulation proportionate to the risks, whilst

complying with the relevant legislation, which may involve shell licences. In this context, we understand that the Agency has developed shell licences, where a set of standard licence conditions may be applied to typical waste activities – creating a quicker, more streamlined licence application process.

- c. Adequate lay-by moorings, sanitation and water supply should be made available for commercial craft in appropriate locations. Many waterways are in urgent need of such development.**

The Government considers that the need for facilities of this kind should be decided by individual navigation authorities in discussion with carriers.

- d. Programmes of maintenance, improvement and technological upgrading of the bridge, lock and other infrastructure of the major commercial waterways should be developed to enhance waterway capacity and minimise delays to vessels.**

The Government agrees there is a need to improve the infrastructure of some waterways to make them more suitable for freight traffic. It recognises that many navigation authorities have limited resources but FFG may be available for improvements carried out as part of a larger project (see response to recommendation 1.12a).

- e. The loss of valuable wharfage must be halted and water transport potential considered in the redevelopment of sites adjacent to waterways. (There are many examples of waterside development truncating access to nearby industrial and distribution locations.)**

The Government considers that navigation authorities should work together with local planning authorities to identify and seek to retain wharves with good freight potential (see response to recommendation 1.10d). While there may be a case for disposing of wharves which no longer serve a practical use because, for example, they have been surrounded by inappropriate development or have poor transport links, navigation authorities should seek new locations for wharves, preferably with multi-modal transport connections, meeting market needs.

- f. The development of infrastructure for multi-modal distribution activities that incorporate waterborne transport should be encouraged and promoted.**

It is for industry to deliver the best ideas to put forward for Government consideration.

- g. Although not an infrastructure issue, the role and potential of waterborne transport in the supply chain should be disseminated to a wider audience and, in particular, to those responsible for transport and supply chain decision-making in industry and to those responsible for the management of the waterways.**

The Government agrees that there is a need to raise awareness of the potential of waterborne transport in the supply chain. This could be achieved through marketing and raising awareness with logistics professionals and freight forwarders. This could be a role for the Waterways Freight Forum.

- h. The trialling of innovative services and the development of new vessels, load handling, transfer and unitisation equipment aimed at increasing the efficiency and capacity of waterborne freight transport should be encouraged and supported.**

This is something which the proposed Water Freight Forum might consider. The Government would be prepared to support appropriate initiatives with FFG.

Vessel registration, standards and crewing

1.13 While the Group considers that there should be no duplication of requirements for vessel registration, standards, crewing arrangements and training, it does recommend that:

- a. A system of vessel registration for vessels not subject to other forms of registration should be established (on charges for registration see para. 1.11 above).**

The Government agrees that it would be desirable for commercial vessels using the inland waterway to be registered. At present vessels are subject to an incomplete and varying patchwork of operational and technical requirements. More uniformity in these requirements would help reduce the burdens on operators and help authorities to act against those operators not of an acceptable standard. Registering vessels and securing greater uniformity in terms of crew competence, navigability licences and vessel design, construction and use should also improve safety. It would also be consistent with the European Commission-led drive to harmonise Community standards. The Government looks to the navigation authorities, working together with the MCA to devise a system which is consistent with European requirements and, as far as possible, capable of being applied uniformly.

- b. An improved regulatory framework is required and to this end the implications of the inclusion of the UK's inland shipping fleet within the EU and UNECE (United Nations Economic Commission for Europe) technical standards should be assessed.**

EEC Directive 82/714 lays down technical requirements for inland waterway commercial vessels but has not been implemented in the UK. The requirements do not reflect current technological developments and the European Commission has therefore proposed amendments to the Directive to update the requirements and bring them into line with the current CCNR (Rhine Commission) standards. The new Directive – which would apply to the UK – would bring all vessels over a given size operating on European international inland waterways under a single regime, with technical standards based on those laid down by the CCNR in 1995.

The CCNR standards incorporated in the proposed new Directive are based on barges using the Rhine rather than the types of vessels using the UK's waterways. The Government has been taking part in discussions about the standards to ensure that the Directive does not undermine existing UK safety standards. It is seeking amendments to broaden the basis of the Directive, and allow flexibility, so that operators in the UK and other non-CCNR member states are not commercially disadvantaged by its adoption. It takes the view that harmonisation should be achieved through “levering up”.

The MCA will carry out a consultation exercise with interested parties later this year on the proposed new technical standards for inland waterway vessels which would be imposed by the directive amending 82/714/EC.

Technical standards for inland waterway vessels are discussed within UNECE, with whom the EC is seeking to improve co-operation and co-ordination. UNECE recommendations tend to be based largely on existing CCNR or Danube Commission rules which do not necessarily reflect UK circumstances. The Government therefore proposes to take an active part in UNECE to ensure that the UK's interests are taken into account in the development of Community inland waterway policy.

- c. Support should be given to the MCA's proposed public consultation on the establishing of competency standards for crew and boatmasters, following Lord Justice Clarke's findings in the *Thames Safety Inquiry Report* and the notification of proposals for the harmonising of boatmaster qualifications within the European Community.**

The Government considers it important in the interests of safety to establish competency standards for crews and boatmasters. In his inquiry into safety on the Thames, Lord Justice Clarke pointed to the need to establish standards for crew and boatmasters and, in accepting his findings, the Government accepted that they were relevant for other UK waterways. At present the competency levels applied to those operating freight vessels differ from authority to authority. (The position is different for passenger vessels (i.e. vessels licensed to carry more than 12 passengers) operating on inland waterways, where MCA is the sole UK competent authority). The European Commission has announced its intention to harmonise Community boatmaster competency qualifications, and the Government is playing a full part in negotiations to ensure that such harmonisation does not result in lower competency standards than those which currently apply in the UK.

MCA will publish a consultation document to assess the options for competency standards for boatmasters and crews on inland waterway vessels in the UK. This will include discussion of who should administer the standards.

- d. The MCA's remit for inland waterway transport should be clarified and, in the absence of other national standard setting authorities, the MCA should be charged with the task of developing vessel and crew standards for the industry.**

The MCA is already the UK competent authority for standards applied to inland waterway passenger vessels (vessels licensed to carry more than 12 passengers). Subject to further consideration of resource implications, the Government believes that it would be a reasonable extension of its remit to make it the UK competent authority for developing, applying and enforcing vessel and crew standards for freight vessels. There is an increasing need to identify a single competent UK authority for the purposes of current Commission proposals on harmonising technical standards for freight and passenger vessels using Community waterways, and boatmaster competency standards. The absence of a suitable single competent authority would make it difficult to transpose and update Community legislation in this area and to enforce it.

- e. Tangible support should be given to new training initiatives for boatmasters and crew that are targeted at the forthcoming competency standards.**

The Government accepts that training to meet enhanced competence standards could well be expensive and might act as a disincentive for freight operators to make greater use of inland waterways. Some assistance with the training costs might be appropriate to help remove, or at least reduce, the potential disincentives.

Industry representation and marketing

1.14 The Group has little doubt that, despite the efforts of existing organisations, development of the water freight industry is hampered by a lack of effective representation. Without stronger representation it will be difficult for the industry to gain full benefit from the other measures recommended in this report. There is therefore an urgent need for this weakness to be addressed. Clearly the impetus for improvement must come from the industry itself. Without the enthusiastic commitment of those involved in the day-to-day business of moving freight by water, new arrangements are liable to be ineffective. This is not something that can easily be wished on the industry from outside.

1.15 Nevertheless, in view of the importance of the issue, the Group hopes that it will facilitate progress by making the following recommendations:

- a. A reconstituted Freight Study Group, chaired by a leading industry figure, should be established to take forward the recommendations of this report. It should have as**

one of its objectives the establishment of a Waterways Freight Forum within a reasonably short period of time.

The Government supports the setting up of a Waterways Freight Forum to promote industry interests. It will be necessary for the Group to be fully representative of freight carriers, to have strong membership, and to have realistic objectives. The Department for Transport will provide initial secretariat support for the reconstituted Freight Study Group until the Waterways Freight Forum is established (see response to recommendation 1.15b below).

- b. The Government should consider what more can be done to provide a stronger focus within Government for the policy of getting freight onto waterways, following the split of responsibilities between DEFRA and DTLR. In particular, the Government should initially provide the secretariat for the reconstituted Freight Study Group.**

The Government recognises the need for liaison between DEFRA and the Department for Transport in promoting waterborne freight and the two Departments will continue to work closely together. Freight Logistics Division within the Department for Transport will act as the focal point for all waterway freight issues.

- c. When in due course the Waterways Freight Forum is established, its running costs should be kept within what the members can afford, but Government departments (DEFRA and DTLR) and others who wish the industry well should be prepared to consider sympathetically financial support for projects proposed by the Freight Study Group or the Forum (e.g. setting up a Water Freight Website) to make industry representation more effective.**

The Government believes that a representative industry forum should be seen to be independent and it should therefore meet its own running costs. While it should also take the initiative in raising funding for specific projects, the Government may be able to assist in certain cases if they contribute to national policies.

Statistics

1.16 The Group recommends that:

- a. The MCA limit of Categorised Waters be used for freight traffic estimation purposes, if this is practicable, minimising interruption to existing, well-established, time series-based statistics.**

The Government agrees that a review of the way information from the annual survey of UK domestic waterborne freight traffic is collected and published is now overdue. The next annual enquiry will be extended to include a review of current needs for this information, and will consider suggested improvements to coverage and presentation so that it is more useful and more easily understood. The review will also consider the implications of moving to the MCA limit of Categorised Waters in estimating traffic.

- b. The next waterborne freight survey should be extended to consider the implications of moving to the MCA inland waters boundary definition for calculating traffic; to consider the extent to which existing information on waterborne freight meets current needs; and whether any gaps or deficiencies identified could be remedied.**

See response to recommendation 16a.

- c. The waterborne freight statistics publication should be improved and made more user-friendly.**

See response to recommendation 16a.

- d. A database on main freight waterways should be established.**

The Government agrees that a database of freight waterways would be useful and suggests that the Waterways Freight Forum might consider preparing such a document.

- e. Unpublished information e.g. on origins and destinations should be made available provided this does not breach confidentiality agreements.**

See response to recommendation 16a.