

ITF maritime sections' assessment on the TISA Annex on Maritime Transport Services (updated from 3 June)

The context: The sale and export of services – including those driven by digitalisation – means global firms are focusing more now than ever before on timely access to quality services, at the cheapest possible cost. What is missing from this equation is value for and impact on workers and citizens; global economic regulators cannot afford to treat citizens – transport workers, public sector workers, or the civilian end-consumers consumers of their services – simply as another component in their value chain, without considering quality jobs and value for communities. This text consolidates the power of the most powerful in the transport industry – the global majors. This agreement was negotiated in secret with no meaningful discussions on the possible inclusion of a sustainability or labour chapter, and it won't deliver value for working people.

This text is sweeping and covers the broadest spectrum of international maritime transport services in both multimodal transport operations and maritime auxiliary services. The latter includes maritime cargo handling, storage and warehousing, customs clearance, container station and depot services and maritime agency services, as well as freight forwarding. Feeder services; pre- and onward road transport services are also in scope. Offshore services for the “exploration and exploitation of natural resources,” are being considered for inclusion.

The ITF argues that the maritime industry is already a free trade environment, with weakened national government controls epitomised in the “flag of convenience” system. Deregulation has impacted negatively on the whole industry in terms of its operational safety, security and social conditions and where state control is weakest it has left a space for illegal and unregulated operators. Even without TISA, liberalisation and deregulation is already extreme in maritime transport.

This raises the question of why further deregulation and opening of markets is being considered when the level of deregulation is already problematic. These provisions will enhance the bargaining power of major shipping lines vis-à-vis port services. Global port operators will also be given a further stimulus and their power further consolidated. There is no evidence this will increase efficiency. The ITF is concerned about what the maritime transport services proposals are trying to achieve? It would appear to be ideologically driven, and aimed at increasing competition and promoting labour market reform.

The extension of deregulation to multimodal and ancillary services will be disruptive for many countries and workforces and allow for the speedy market entrance of the bigger multimodal operators at the expense of local economies.

The opening up of offshore services raises potential sustainability and environmental concerns.

The document's provisions are serious barriers for any state wanting to invest in, manage and operate its national infrastructure or to defend decent work and decent terms and conditions across the transport industry.

To counter this, the ITF strongly believes that TISA must incorporate an enforceable and binding labour and sustainability chapter and that it should not be used as an instrument to further deregulate transport sectors in a race to the bottom on terms and conditions of employment.

There are specific concerns. Several provisions within the text would appear to impinge broadly on non-maritime transport sectors, potentially favouring the global multimodal operators by giving them preference to establish and access such services at the expense of national, smaller shipping or single-mode transport companies – and with negative impact on the jobs they provide.

Multimodal transport operators may be given “reasonable” and “non-discriminatory” access to road, rail or inland waterways transport services and related auxiliary services - which includes the ability of the multimodal transport operator to demand priority for the handling of its goods over other merchandise which has entered the port at a later date. Road and rail services tend to be public infrastructure, raising more questions about a state's ability to manage its own infrastructure.

The ITF would have concerns about interpretations about what “reasonable” means, and how this would be defined? The document would seem to leave the door open to serious commercial disputes – and still there is no assessment of the potential social impact.

Underlining our concern over this point, the document states: “limitations on commercial presence for the supply of maritime transport services means any measure that would limit the ability for maritime transport service suppliers of another Party to undertake locally *all activities that are necessary for the supply to their customers of a partially or fully integrated transport service, within which the maritime transport constitutes a substantial element.*”

In addition, alongside other countries opposing the measure, ITF would have concerns that permitting cross-border supply of feeder services and offshore vessel services may constitute cabotage, impacting on the long-term employment of national seafarers on board ships engaged in regular trade within a country.

Finally, there is a serious problem with ILO Standards.

The Annex recognises the standards adopted by the International Maritime Organisation and the International Labour Organisation – standards adopted precisely to address some of the social and safety concerns that have arisen in the industry.

The text states that in cases where Parties “*apply measures that deviate from the above mentioned international standards, their standards shall be based on non-discriminatory, objective and transparent criteria*”. Who decides the criteria, and

how will this be enforced, if companies deviate downwards? This could also be used against locally-set upwards deviation. What about safety provisions or qualifications which are better than the minimum? Or the ILO *minimum* wage standard for seafarers, intended as a safety net. Similarly, the ILO's Maritime Labour Convention explicitly sets *minimum* standards, with states being encouraged to go above and beyond its provisions. The best employers are taking on best practice and continuous improvement in their company culture, and moving away from the so-called compliance culture - this is a move in the opposite direction.

See MLC text: http://www.ilo.org/global/standards/maritime-labour-convention/text/WCMS_090250/lang--en/index.htm

As it stands, this provision is contradictory and inapplicable, given the global standards already set; unless the text is changed then this will constitute an attack on those very necessary minimum standards - and threaten livelihoods of maritime workers everywhere.

The International Transport Workers' Federation (ITF) www.itfglobal.org unites around 700 unions, representing more than 4.5 million transport workers from 150 countries.

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