

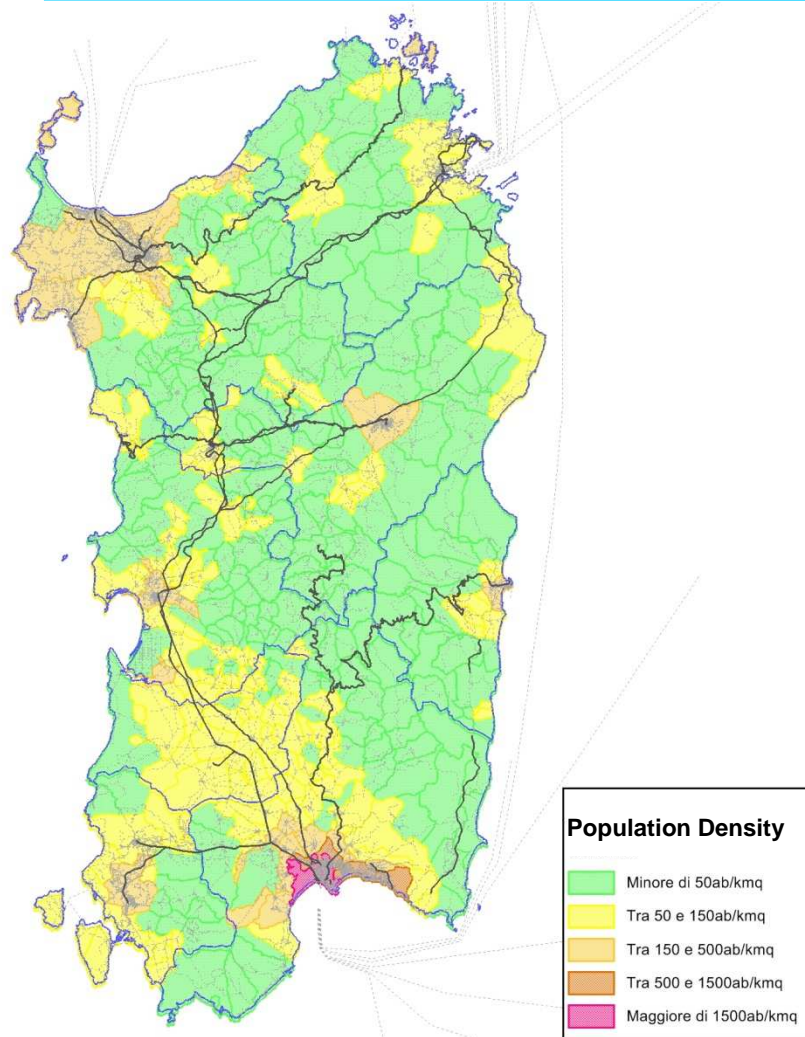


REGIONE AUTONOMA DELLA SARDEGNA
ASSESSORATO DEI TRASPORTI

Island cabotage liberalization Evidence from Sardinia

Bornholm
February 18-19, 2010

Sardinia facts and figures



Land area: 24.090 km²

Resident population: 1.665.617 (2007)

Population density: 67 inh./km²

Sardinia is an Autonomous Region with special statute, divided into 8 territorial districts (provinces). Cagliari is the main city of the Island

Infrastructural gateways to the mainland:

3 airports (6.500.000 passengers in 2009)

5 ports (6.000.000 passengers in 2009)



Island Cabotage – Regional Competence

Sardinia – Mainland cabotage: Shared competence

Sardinia – Minor islands cabotage: Exclusive competence



Sardinia-Mainland cabotage



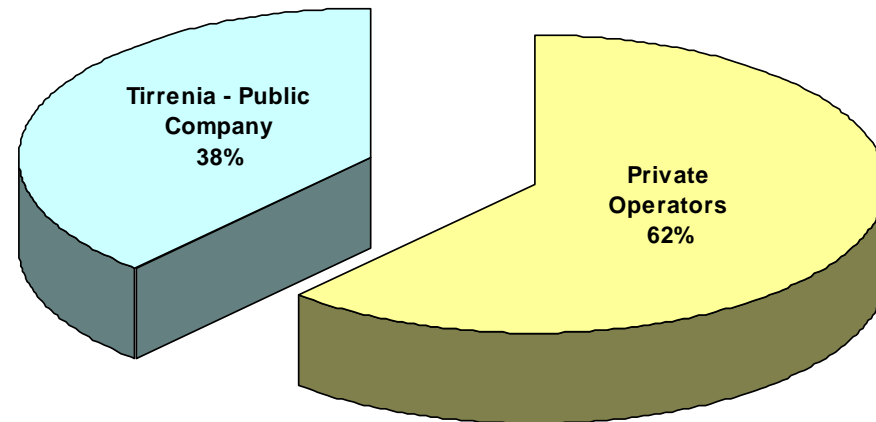
Regional Port	Weekly crossing	
	Off-Peak period	Peak Period
Cagliari	28	29
Arbatax	4	4
Olbia	47	127
Golfo Aranci	6	21
Porto Torres	13	28
Total	98	209



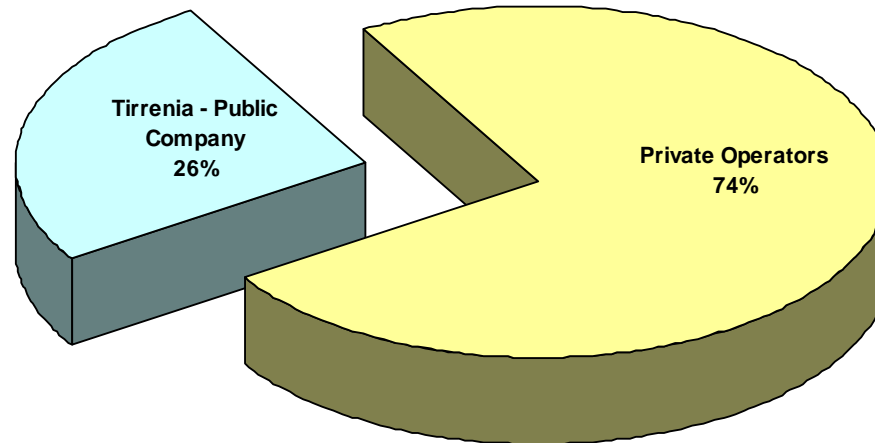
Maritime connections to the mainland



Weekly crossings – winter



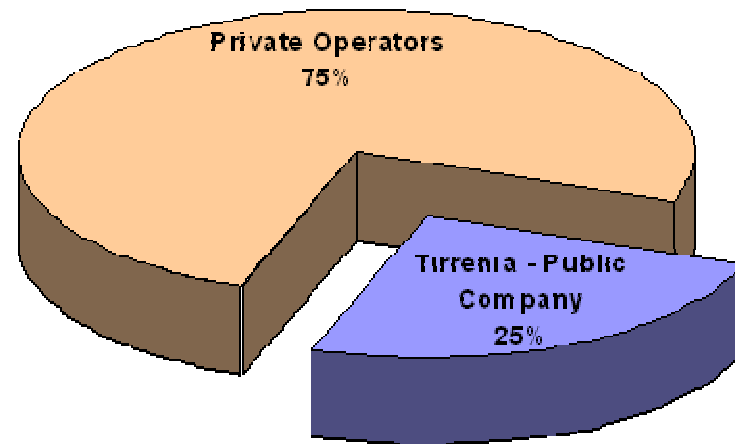
Weekly crossings – summer



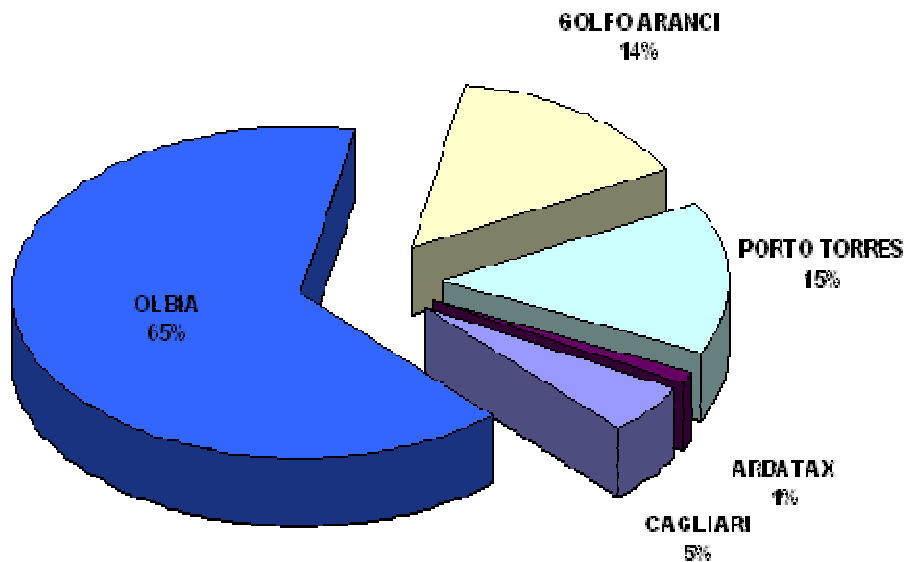
Passengers transport service

75% of nearly 6 million passengers, are transported by private shipping companies; On these routes Tirrenia has a total of 25% of the passenger transport market.

Distribution by shipping companies 2009



Distribution by Sardinian Ports



94% of traffic is handled at northern ports; 65% of passengers is currently travelling through the port of Olbia.

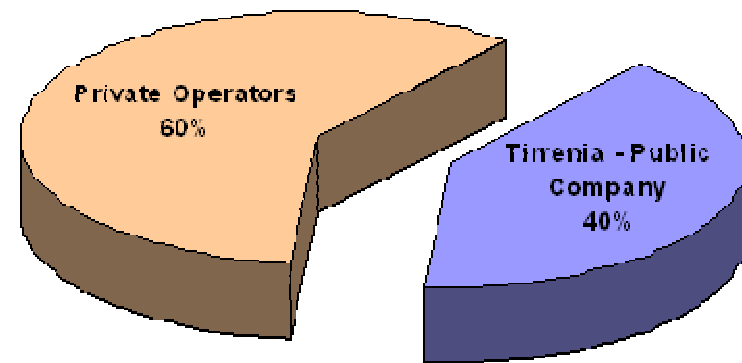


Freight maritime transport

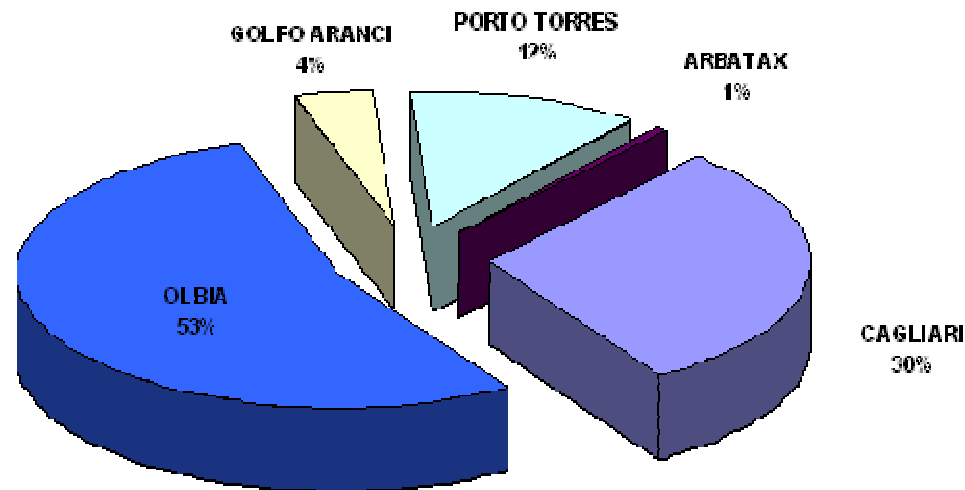
12,5 million tons of goods carried by about 580.000 trucks are transported by ro-ro ships

60% of goods are shipped by private companies

Distribution by shipping companies
2008



Distribution by Sardinian Ports



Most of goods are handled by Northern Ports



The current maritime transport system

Strong presence of private operators

Passengers traffic is highly seasonal

The public shipping company assures daily night-time sailing in each direction all year round.

The route between Sardinia and Tuscany represent the main corridor to the mainland, attracting private operators.

Services operated by private companies are usually cheaper and assure higher quality.

The combined presence of public and private operators assure a real territorial continuity



Future asset

December 2009: publication of the contract notice

Conditions:

Company estimated value: 110.000.000 €;

Candidates: tenders can be submitted by any kind of economic operator (not only ship-owners);

The candidate acquiring Tirrenia shipping company, will also operate connections to Sardinia and Sicily.

Duration of public service contract: 8 years;

Annual public subsidy: 72.685.642 €



Sardinia – Minor islands cabotage

Saint Peter's Island

Carloforte – Calasetta
Carloforte – Portovesme
nearly 1.000.000 passengers
2 shipping companies:
SAREMAR-DELCOMAR



La Maddalena's Island

Palau – La Maddalena
nearly 2.500.000 passengers
3 shipping companies
SAREMAR – DELCOMAR -
ENERMAR



Minor islands – Saint Peter's Island



- Land area: 51 km²
- Resident population: 6,480 inh
- Population density: 127 inh/km²
- Maritime connections to the main Island:

Route Carloforte – Portovesme: 15 daily crossings operated by Saremar S.p.A public shipping company

Route Carloforte-Calasetta: 7 daily crossings operated by Saremar S.p.A public shipping company and 7 nightly crossings operated by Delcomar S.r.l private shipping company.

All services are financed by

Public Service Obligations - PSO



Minor Islands – La Maddalena’s Island



- Land area: 50 km²
- Resident population: 11.464
- Population density: 229 inh/km²
- Maritime connections to the main Island:

Route Palau – La Maddalena:

21 daily crossings operated Saremar S.p.A public shipping company;

36 daily crossings operated by Enermar Srl private shipping company;

6 nightly crossings operated with PSO by Delcomar Srl private shipping company



Sardinia – Minor islands cabotage

- **Insularity for minor islands has a double extent**



Agreement on public services

The agreement on public services between the Italian state and Tirrenia Shipping Company, including its regional undertakings, are regulated by State laws since 1974-75.

2001: Decision *C(2001) 1684, June 21, 2001*

The aid awarded by Italy to Tirrenia di Navigazione as compensation for providing a public service is compatible with the common market”

2004: Decision *C(2004) 470, March 16, 2004*

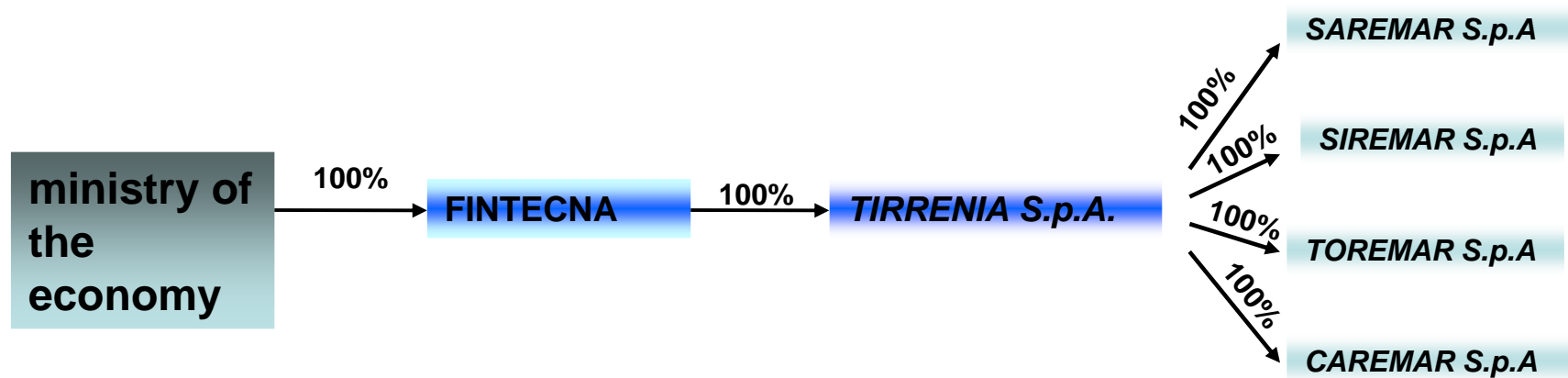
The aid awarded by Italy to the SAREMAR, SIREMAR, TOREMAR E CAREMAR shipping companies for providing a public service is compatible with the common market

2008: at the expiry date of the 20-year agreement, Regulation No 3577/92 it's finally applicable to Italy's transport services.



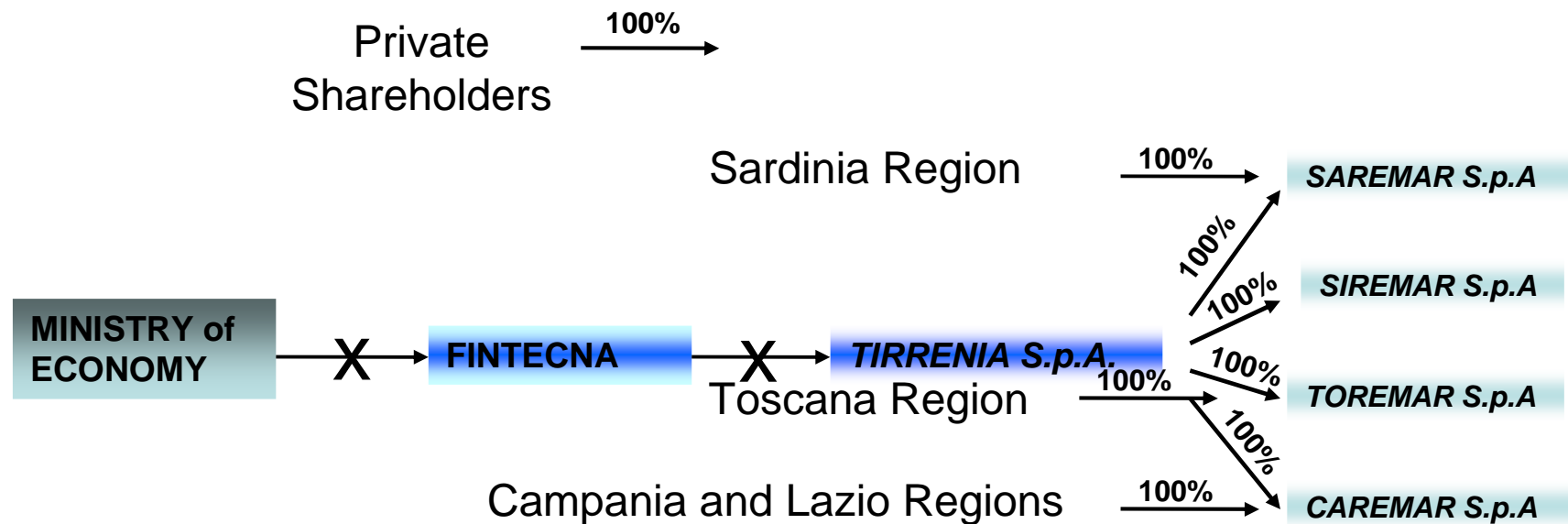
Tirrenia Privatization

The asset of Tirrenia Group before Privatization



Tirrenia privatization

Asset of Tirrenia Group after Privatization



2009 steps toward privatization

1. The ministry of economy reduced annual subsidies for future contracts;
2. Italian regions Sardegna, Toscana, Campania and Lazio, required the transfer of regional companies SAREMAR, TOREMAR and CAREMAR.
3. Definitions of transfer rules.
4. Transfer of shipping companies to requiring regions and their privatization;
5. November 26, Sardinia becomes the owner of Saremar shipping company.



Privatization of Saremar shipping company

Agreement between Saremar Shipping Company and the regional authority is extended up to September 2010

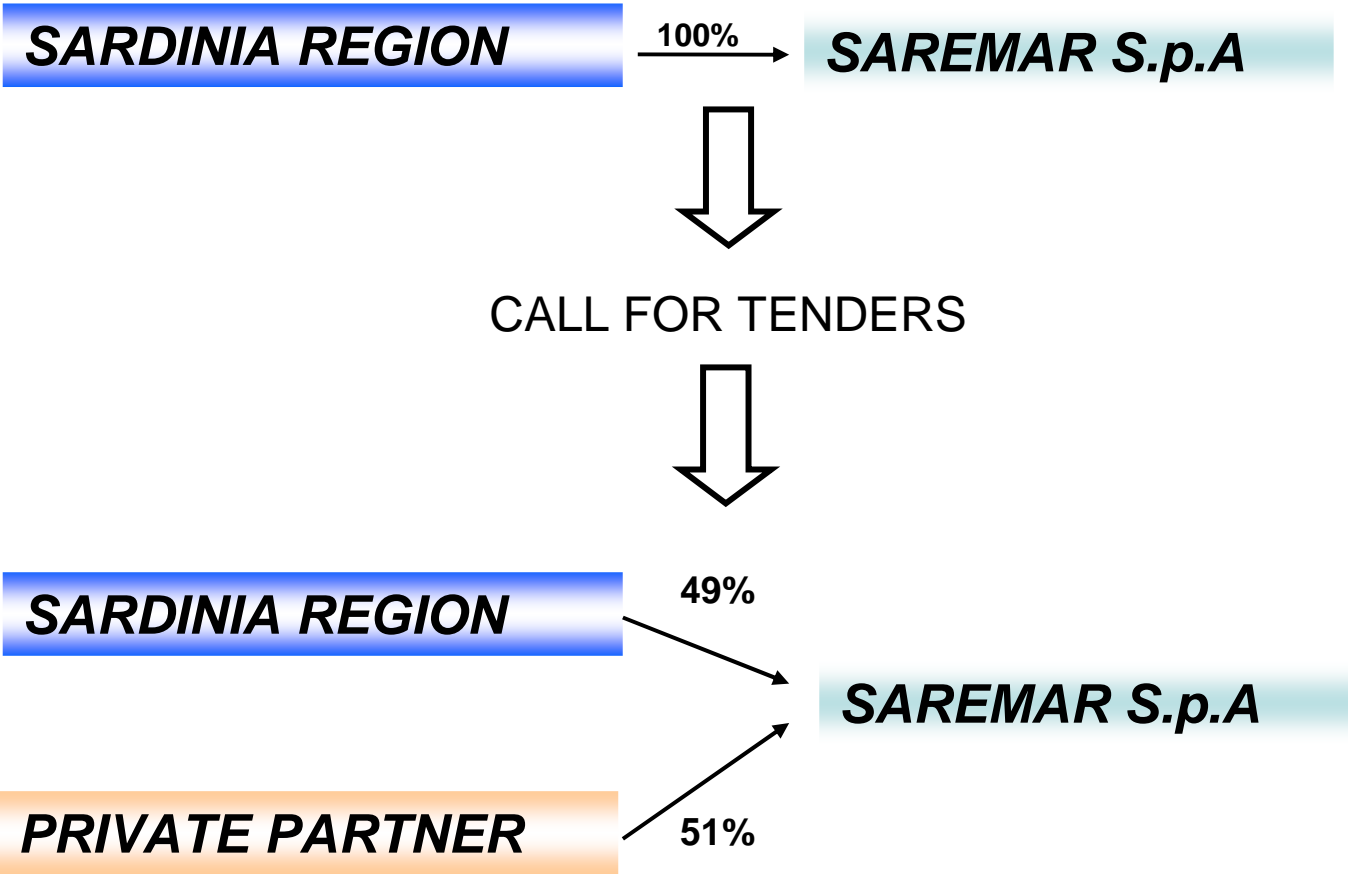
In the meanwhile the regional authority will define the call for tenders' procedures.

Strategic choice:

PPP – Public Private Partnership



Privatization of Saremar shipping company



Saremar facts and figures



Fleet: 7 ferry-ship;

Crew: 200;

Administrative personnel: 14;

Annual crossings: 16.500;

Passengers: 1,5 millions;

Transported Cars: 390.000



Privatization of Saremar shipping company

Cabotage liberalization in Sardinia

Two levels of services

- Public service contract (*Saremar + private partner*)
- imposing public service obligations through an authorization system (*Private shipping companies*)



Privatization of Saremar shipping company

Public Service contract

- Up to 12 years' contracts;
- Financed by national resources 13.600.000 €/year + regional resources
- daily night-time sailing from and to Sardinia.

Goals

- Direct control over the service by the regional authority
- Assure actual level of service
- Maintain actual employment level in order to avoid negative social impact



Public-private partnership

Although private operators will be involved in the partnership, decisions need to be driven by public interest.

- Regional authorities will manage the shipping company together with a community private ship owner selected through a Eu wide call for tender;
- PPP selection will be done on a non-discriminatory basis according to principles stated in Article 4 of Regulation (EEC) No 3577/92.
- Private ship owners, considering their own commercial interest, would not be able to provide cabotage service at the following conditions: new and safe vessels, lower rates for resident population, daily night-time sailing in each direction all year round.



Thank you for your attention

