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The boundary between public and private interests and the balance between local and national claims: the French experience.

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The growth in international trade, the demands of major shippers operating within increasingly exacting logistical networks, and the growing scale of vessels, which shipping lines have built to meet this demand, have considerably changed the role and size of ports throughout the world.. These require specific nautical conditions, a depth of water in excess 14.50 m, larger zones for manoeuvres and, obviously, more effective cargo handling facilities. All this requires greater and greater investment, for container terminals in particular.

At the present time, so much investment is needed that it has become necessary to call on private capital in almost every country, particularly for superstructures. In almost all the major container ports in the world, public and private interests co-exist. These interests operate at different geographical scales: local, regional, national, continental and global. The boundaries between public and private interests and the different geographical scales that shape port operations form the focus of this paper.

This paper will begin by attempting to give an account of existing research and new methodological approaches with regard to port governance and performance and then go on to propose an analytical grid. This grid defines the factors that have to be considered when analyzing port projects and detailing the various stages involved in their implementation. The analytical grid serves as a basis for developing a port model that allows us to analyze the concerns of each of the partners with regard to the geographical scale in question for the implementation of a new port project. The case of Le Havre's new port, Port 2000, is used to illustrate the situation in France. Section 2 describes the context that explains how Port 2000 came into being, including the crisis situation and the loss of support for the port that occurred in the 1990s, and the shortcomings of the facilities and services available at the port,

especially in comparison with those provided by the port's northern European competitors. In Section 3 the port model is employed to describe the Port 2000 project, which contains many unique features, including the ability to retain local involvement port operations, while ensuring the port improves its global relationships..

1. A model for analyzing a port project

1.1. Port governance and performance: the new methodological approaches

During the last fifty years, with the steady growth in containerization, public port authorities have gradually withdrawn from operational activities in favour of firms with public or private capital that are specialized, in particular, in the operation of port terminals (Strubbe, 2002; Brooks et al, 2007a). The causes of these upheavals have been clearly identified, in particular in the context of the reciprocal links that bring together in a single movement the process of globalization and the unprecedented growth in maritime transport (Brooks, 2000, Notteboom, 2004). The increase in trade and the internationalization of production based on global logistics on the one hand, and the specialization and growth in size of vessels (Stopford, 2002), the rise of international maritime operators (global carriers, global terminal operators, Third Party Logistics providers) (Slack et al, 2002, Slack et al., 2005) on the other have resulted in new challenges for ports. These include an increase in competition between ports and even between maritime ranges for the control of hinterlands and logistical chains, the need for ports to assert themselves as logistical service centres (Heaver et al., 2001, Robinson, 2002), the need for ports to improve their inland transport services in order to control and extend their hinterlands (Gouvernal et al, 2005), the growing scale of necessary port investments, and the conflict between the port and global players which make it into a pawn in a larger game (Slack, 1993; Notteboom, 2007a). Profitability, economic impact and financing are seen as the most critical nodes in the complex chain of port investment decisions (Musso and alii, 2006).

To help understand these developments, the World Bank Face proposed a port classification that is made up of three categories: tool ports, landlord ports and private service ports (World Bank, 2007). This classification differentiates between ports on the basis of the respective roles played by the public authorities and firms with regard to land ownership, infrastructure ownership and management, terminal ownership and the provision of port services, in particular freight handling. Many studies have demonstrated how a model of this type oversimplifies the situation because it cannot take into account each local situation and the

diversity of the possible configurations of public and private interests (Baird, 2000; Brooks et al., 2007b). It also fails to recognize the roles of the different levels of government, from the municipality to the region and the central government (Debie et al. 2007). Research into governance demonstrates the need to identify the balance between the various public interests as well as between public and private interests in order to achieve optimum port performance in a general context of port “terminalization” (Slack, 2007).

The performance of a port does not depend solely on the activities that take place there. The port is a location where the conflicting interests of many actors present are expressed (De Langen, P. W., 2007). These interests can prove harmful to the port’s development, including issues such as social conditions, environmental concerns, the relationship between the city and the port, the value the port adds to the community, the development of activities other than port activities (fishing, tourism, industry, etc.). These potential contradictions find their most visible expression in conflicts with regard to the use of space which is becoming an increasingly rare resource. They show that port development cannot take place if the larger society does not support a collective project.

The need to find new equilibria between public and private interests and to manage the conflicting interests of the different actors in the port and the port city then lead us to consider the new roles that are possible for the port administration and the extent to which it is associated with and dependent on the different levels of power, from the national government to the municipality.

1.2. A proposed port project analysis grid

1.2.1. The components that make up a port development project

The fundamental objective of a port development project is to encourage the growth of the port in quantitative and qualitative terms in order to meet the requirements of international trade and maritime transport. The most visible measure of development is an increase in traffic. However, many other indicators may be used which involve the complex concept of port added value, although the amount of traffic is still the simplest and most reliable indicator for measuring a port’s activity (Haezendonck, and al, 2006).

Port projects have varying degrees of complexity based on three pillars: the infrastructure; the combination of the port’s superstructures, facilities and services; and, last, the necessary community support for the project. The infrastructure provides facilities needed to accommodate ships and handle freight. The size of the infrastructure can be variable, but the

growth of containerized traffic in recent years has led to a proliferation of very large projects, particularly in East Asia and to a lesser extent in Europe. Infrastructure comprises dry docks, wet docks, berths, access channels. It may also include facilities that provide access to the hinterland such as motorways, railway tracks, and canals (Panayides, 2002). Superstructures include cargo handling equipment and facilities such as gantry cranes, yard equipment, sheds and warehouses and increasingly strategic and costly computing systems.

In the rest of this paper our analysis will be confined to these decisive sectors despite the existence of other port services such as pilotage, towing, mooring as well as vehicle fleets (trucks, trains and barges). The presence of warehouses, either inside or outside the port enclosure, makes it possible to carry out the operations that are required to integrate container and freight flows within a logistical chain (Heaver, 2002b, 2005).

Transport services and any associated logistical services are organized by the operators that manage the supply chain, namely the freight forwarders, combined transport undertakings and shipping lines (ESCAP, 2002). Containerization has opened up the possibility for vertical integration between the various activities, with the objective of providing customers with door-to-door services (Heaver, 2002a). The port thus becomes part of one or more logistical chains controlled by the port operators (Carbone et al., 2003).

The third pillar of any port project is more virtual in nature, but it is nevertheless indispensable for the successful implementation of the first two. The success of a port project is increasingly dependent on support from the various partners involved in the life of the port. This involvement differs depending on the role and the nature of the partners. A distinction can be made between the actors from the maritime and port sectors, the public authorities and the other actors that belong to civil society. The latter are not necessarily directly affected by the activity of the port and may well feel only its adverse impacts. The different actors are involved at different geographical scales which range from the global to the local with, for example, global carriers on one hand and small fishermen on the other. All these actors are involved in the port project and their diversity explains its complexity. Their support is essential to overcome the conflicting interests that have been mentioned above.

1.2.2. The stages in a port project with reference to the different actors and geographical scales

Bringing a port project to fruition necessitates answers to the following four questions: what is the market, who decides, who finances, and who manages? These four questions must be

asked systematically for the three components of the project, namely the infrastructure, the facilities and services and, lastly, the community support for the project.

The first question is decisive. It usually comes before the others and serves to define the characteristics of the project. If there is no demand from the actors no project has a purpose. But, in fact, projects may also be very speculative. The answer depends on an analysis of the positive or negative constraints which themselves depend on the strategies of the different actors and the economic, political, technical and social contexts which vary at a given time according to the geographical scale considered. For example, a port that is located near a major East-West maritime route (global and regional scales) which also has access to a rich hinterland (regional and national scales) but whose facilities are reaching saturation (local constraint) may consider the construction of new terminals for the latest generation of container vessels (global scale technical constraints). These new terminals will require the construction of new infrastructure which is made possible by the availability of space at the port (local constraint).

In order to evaluate the long-term viability of the project it is necessary to conduct a forward study. This is crucial for the creation of this type of infrastructure that operates within a very long time frame. The large amount of derelict land in the oldest ports shows how difficult it is to restructure these sites to suit contemporary maritime conditions. In contrast, an operator (a shipping line or freight forwarder for example) can offer a new inland rail or barge service at very low cost to itself without investing in equipment for example (Gouveral, 2003), and adapt almost in real time to the changing commercial situation.

The three other questions, although more operational in nature, are equally decisive for the success of the project. Decision-taking, financing and management responsibilities raise the problem of how the roles are shared between public and private interests. They also involve the participation of other actors, some of whom may have interests that may be global, regional, national or local in nature. Some may be multi-scalar, a global shipping line that may participate in operating regional rail services. for example.

It should be noted that the all four questions also to be answered for the issue of community support. Identifying demand, decision-taking, financing and management require negotiation between a broad spectrum of community actors to win acceptance of the project.

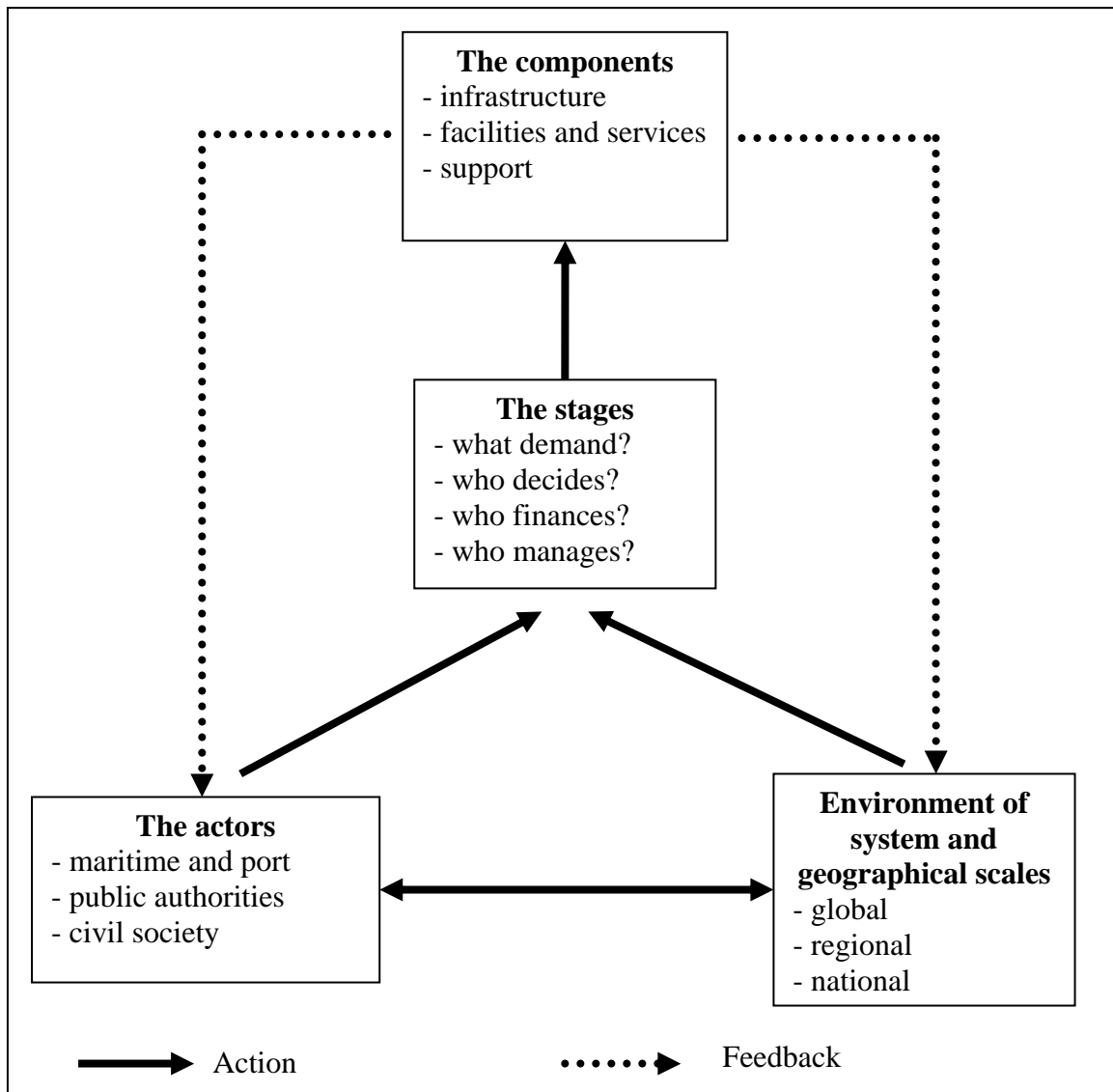
In Table 1 we present an analysis grid for a port development, that applies a systems approach. The four questions are answered on the basis of an analysis of which actors are involved and the constraints related to the different geographical scales. Once the project has

been decided and/or implemented, it may, through feedback, have impacts on the strategies of the actors and the environment of the system at different geographical scales.

Table 1: The analysis grid for a port project

The components			
<p>Infrastructure</p> <ul style="list-style-type: none"> - maritime at port - terrestrial at port - terrestrial into hinterland 	<p>Facilities and services</p> <ul style="list-style-type: none"> - port terminals - inland services - logistics 	<p>Support for project</p> <ul style="list-style-type: none"> - from various partners in the port - from civil society 	
The stages			
<p>What demand?</p> <ul style="list-style-type: none"> - analysis of constraints depending on actors and geographical levels - forward studies 	<p>Who decides?</p> <ul style="list-style-type: none"> - public interests /private interests - geographical integration of decision-makers 	<p>Who provides the finance?</p> <ul style="list-style-type: none"> - public interests /private interests - geographical integration of financiers 	<p>Who manages?</p> <ul style="list-style-type: none"> - public interests /private interests - geographical integration of managers
The actors			
<p>Maritime and port</p> <ul style="list-style-type: none"> - port administration - shippers - port operators (shipping lines, terminal operators, freight forwarders) - port employees and unions (dockers, gantry crane operators) 	<p>Public authorities</p> <ul style="list-style-type: none"> - European Union - central government - local and regional authorities (regions, départements, municipalities) 	<p>Civil society</p> <ul style="list-style-type: none"> - professional associations - protection associations (environmental or other) - other economic players 	
The environment of the system on the basis of the geographic scales			
<p>Global</p> <ul style="list-style-type: none"> - global economics - trade flows - maritime flows and routes - technology (for example size of vessels) - the actors 	<p>Regional</p> <ul style="list-style-type: none"> global economics - situation as regards trade flows - situation as regards maritime flows and routes - interport competition - political context - the actors 	<p>National</p> <ul style="list-style-type: none"> - global economics - situation as regards trade flows - situation as regards maritime flows and routes - interport competition - political context - the actors 	<p>Local</p> <ul style="list-style-type: none"> - global economics - situation as regards trade flows - situation as regards maritime flows and routes - hinterland port and/or transshipment hub - port site - the actors

Figure 1: A systems approach to a port project



2. The 1990s in Le Havre: a crisis situation

Le Havre is an industrial port whose greatest expansion took place during the thirty year boom after World War 2. The two oil crises of 1973 and 1979 largely put an end to this growth. Containerization has proved unable to restore the port's activity to its former level. During the 1990s the scars caused by almost thirty years of crisis and revealed by the mismatch between the port and global reality became clearly apparent.

2.1. A crisis and a loss of support for the port

The liquid bulk traffic handled by le Havre was mainly captive as the location of the refineries in the lower Seine meant that approximately 40% of French imports of crude oil passed automatically through Le Havre. In order to diversify its traffic base the port started to focus on gaining containerized traffic in the 1980s.

In comparison with its main European competitors, Le Havre has a weak position in the container market. With total container traffic in 2006 of slightly over 2 million TEU, Le Havre is not classed among the very large container ports like its neighbours Rotterdam, Hamburg, Antwerp or Bremen/Bremerhaven. But above all, its market share has been constantly eroded, having fallen from almost 10% in 1975 to 6.6% en 2006, a loss of one percentage point per decade.

The market share of the major ports in the Northern European range

	1975		1985		1995		2006	
	TEUs (000)	%	TEUs (000)	%	TEUs (000)	%	TEUs (000)	%
Rotterdam	1078	45.4	2654	39.5	4787	38.3	9690	30.1
Hamburg	303	12.7	1158	17.2	2890	23.1	8861	27.6
Antwerp	355	14.9	1350	20.1	2329	18.6	7019	21.8
Bremen/ Bremerhaven	409	17.2	986	14.7	1526	12.2	4450	13.8
Le Havre	232	9.8	566	8.4	970	7.8	2130	6.6
TOTAL	2377	100	6714	100	12502	100	32150	100

Source: CI-online

Le Havre's failure to be competitive in the Northern range for container traffic is particularly striking because it is combined with a dual industrial and urban crisis. The heavy industries in the maritime industrial zone entered a phase of restructuring from the 1970s which resulted in a number of sensational collapses (for example the liquidation of the shipbuilding yard Les Ateliers et Chantiers du Havre in 1997 with the loss of 2,000 jobs) and the disappearance of industrial jobs. In Le Havre the total number of jobs fell by 3.6% between 1982 and 1990 and has stagnated since leading to higher unemployment which averages between 30 to 40% higher than the national average. The city's peripheral districts are particularly badly affected. The conurbation has a net migratory deficit which reflects the profound economic malaise.

Historically, the port has always been the principal driving force behind the conurbation's economy. Since the 1970s, this driving force has proved weakened, so that by the end of 2002, maritime and port activities at the port of Le Havre accounted for only 36% of the zone's

merchant services (Chédot et al., 2004). This has led the general population to doubt the real utility of the port for the community.

2.2. Shortcomings in facilities and port services

Because of their geographical situation which makes them the natural gateways to the economic heartland of Europe along the Rhine, Rotterdam and Antwerp are particularly favoured by the global shipping lines. In contrast, Le Havre is the natural port only for Paris, and its share of other French markets is weak because of penetration by its direct competitors, Rotterdam and Antwerp, who have extended their market reach into the Paris region, the North and East of France and even the entire Rhone Valley. For the major shipping lines, Le Havre is used only to complement the principal loading and unloading operations conducted at Rotterdam and Antwerp.

The 1990s also revealed structural weaknesses in the facilities and port services in relation to global demand and also in relation to the port's competitors who had already made the necessary adaptations. The shortcomings related first of all to cargo handling. At a time when the major international cargo handling groups were becoming established in European ports – four groups (Hutchison, PSA, Eurogate and HHLA) controlled more than 50% of the containers handled in Northern Europe (Drewry, 2006) – Le Havre and more broadly all the French ports remained isolated from the trend.

The freight handling companies established at Le Havre (TN, GMP and CNMP¹) were characterized by their low level of investment, their fragmentation and, when all is said and done, their relative low level of productivity. Their relationship with the Port Authority was confused. The gantry cranes were purchased, operated and maintained by the Port Authority which leased them to the freight handlers. The dockers were employed by the freight handling firms ever since the labour reform legislation of 1992, but the crane operators and the gantry crane maintenance staff were employed by the Port Authority. This produced an extremely confused situation, with that the responsibility of the various actors unclear, and leading to rigidities in the organization of work. This confusion meant that French container terminals had a structurally low level of productivity compared with their European competitors. This did not encourage the growth of traffic or an increase in handled volumes², so there was no

¹ TN: Terminaux de Normandie. GMP: Générale de Manutention Portuaire. CNMP: Compagnie Nouvelle de Manutention Portuaire.

² At the time, Le Havre suffered from the problem that it handled too few containers per stop. In Antwerp or Rotterdam, entire rows of containers were loaded or unloaded which automatically increased productivity. In Le Havre, the gantry crane operators had to find isolated containers in the ships' holds, so finding one container

natural reason for the container terminals to be modernized. This was a vicious circle where the low levels of traffic were self-perpetuating.

The dockers in France, as in all the ports of the world, had a very strong union structure within the Ports and Docks Federation, which is affiliated to the CGT Union. They jealously defended their monopoly within the port zone, which had adverse impacts on logistical and warehousing services in the port more than freight handling itself. A 1992 reform put the dockers on a monthly wage and made them into common law employees. This prompted a considerable number of strikes which did lasting damage to the image of French ports, which largely explain the market losses of the 1990s. Until recently, it also placed a financial burden on the budgetary status of the Port Authority and the freight handling companies which had to pay for a major part of the redundancy schemes, that resulted in a drastic reduction in staffing levels. This reform cost more than €170,000 per docker at Le Havre. More than half of this cost was met at local level and the rest was paid by central government.

Change was therefore in nobody's interest. The local freight handling companies wanted, above all, to avoid the arrival of a powerful foreign freight handler that was capable of bringing into question the lucrative established order. The Port Authority held the view that controlling the activity at port justified its size and many jobs which also had a high degree of union protection. The dockers were the convenient excuse to prevent any restructuring because of fear of industrial disorder. The freight handling companies, the dockers and the autonomous port were all, with their different interests, part of a Malthusian system whose objective was to reap all the dividends from an exclusively French market which, although extremely limited, was protected from foreign competition. This system meant that global operators, shipping lines and terminal operators had no desire to make long-term investments in Le Havre.

The vicious circle that existed for freight handling also to an extent existed for the supply of inland services. Le Havre, with its good motorway network was dependent on the road for more than 85% of its inland pre- and end-haulage operations. Unlike Antwerp and Rotterdam, Le Havre was cruelly short of high capacity modes to serve its hinterland.

2.3. The weaknesses of the port infrastructure

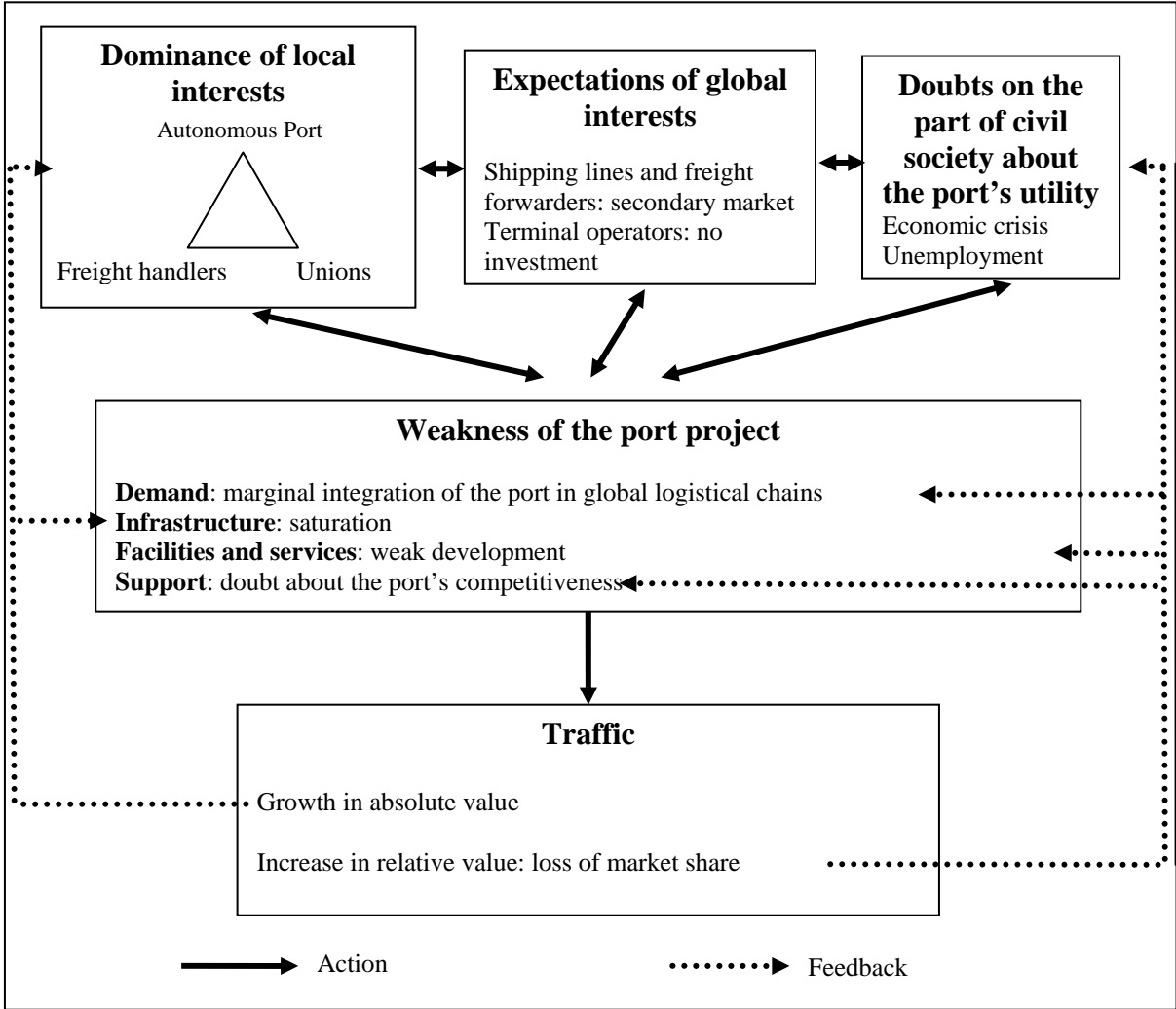
The last major infrastructure works at the port dated from the 1960s. They featured an extension of the tidal dock and the construction of the King François I lock which provided

could involve moving others. This work which the gantry crane operators described as being like working in a grocer's shop, automatically reduced productivity.

access to a large maritime industrial zone. These facilities were designed for a heavy industrial port, in continuity with the thirty-year post-war period of prosperity. The provision of nautical access for the largest container vessels posed no problem. However, it was necessary to set up terminals in a port site which had not been designed with containerization in mind. The essential weakness of the terminals was the outcome of their dispersion. They were located on either side of the King François I lock and on either side of the docks, to the North and the South, which made it difficult to transfer containers from one terminal to the other. Downstream from the lock, there was a shortage of space at the terminals, the water was too shallow, the quays were not long or straight enough, frequently because of structures that had been there for a considerable time (for example the power station).

The increase in volumes combined with the shortcomings not only in the port's facilities and services but also in its infrastructure was responsible for congestion problems which worsened continually in the period before the new Port 2000 was opened. They were largely responsible for Le Havre's loss of market in comparison with its competitors in the Northern range since the year 2000.

Figure 2: The weakness of the port in the 1990s



3. Port 2000: a local French response to the world context

This is the context within which, starting in the mid-1990s³, the project for a new port was developed and adopted. The first terminal was opened almost ten years later, in February 2006. The initial idea was simply to create new infrastructure, but the ultimate scale of the project was such that it was necessary to conduct large-scale reorganization. It required the support of civil society and a complete overhaul of the facilities and services available at the port.

³ Which explains its name of Port 2000.

3.1. Port 2000: meeting demand by means of infrastructure

The analysis of demand which justified this project was straightforward. It was necessary to respond to the global growth in containerized traffic, which was of the order of 7 to 8% per year. Even if the growth was lower at Le Havre, it would ultimately lead to the saturation of the existing terminals. Le Havre therefore needed to be upgraded to be able to grow at the same rate as global traffic and compete on an equal footing with Antwerp and Rotterdam. These competitors had already launched large development projects which could marginalize Le Havre still further, reducing it to the status of a peripheral port connected to the Scheldt and Rhine ports merely by feeder vessels (Lacave, 2006). The initial idea to lift the Port of Le Havre out of the state of stagnation that had affected it since the 1970s was a port infrastructure project of unprecedented dimensions which gave rise to the largest civil engineering construction project in Europe between 2001 and 2005.

The Port 2000 infrastructure first of all was designed to meet the needs of the shipping lines operating ever larger vessels. It was based on the assumption that the number of containers handled at each stop would increase for both transshipment and hinterland services which would make high volume unloading facilities necessary. Investment in railway and waterway infrastructure was also required in order to provide the high quality services without which the port infrastructure would be unproductive.

To extend the port it was decided to construct new infrastructure that met the new technical requirements on a new site. The new dedicated container port was to be located south of the Seine estuary. Ultimately, it will have a potential of 12 berths each 350 metres in length over a total distance of more than 4 km. The first phase of Port 2000, which was opened in 2006 year ago, caters for vessels with a capacity of more than 10,000 TEU. The configuration of the terminals is such that they will easily handle the movement of more than 2000 TEU from several vessels in a few hours.

This total investment for the first six berths was more than 1 billion Euros Table 2 illustrates the diversity of the scales of public investment. The major source of finance is the Autonomous Port, which, as its name indicates, has a separate accounting system. However, it is highly dependent on central government and the Ministry of Public Works, to the extent that all its investment is controlled centrally. Since the time of the Act which created the Autonomous Port, the percentage of funding provided by the State has considerably diminished. While the Act anticipated State funding of 80% for maritime access and 60% for the quays, the State only financed 23% of the port infrastructure for Port 2000. However, it was more involved in financing the terminal services (55.5%) and local services (37%).

Overall, the State's contribution was less than 20%. European funds (Feder) provided 5.2%, which included the investment required for the environment. The various scales of local government were highly involved: the Region (5%) and Département (4.5%). It is the last two sources of financing who were the most sensitive to environmental issues.

Table 2: FINANCING OF PORT 2000 (6 berths)

Percentages and figures in million Euros in bold

in M€	Port (including adjacent services)%	Environment%	Terminal services %	Local services %	Superstructures%	TOTAL	% column
TEN	0.36%			2.18%		4.71	0.43%
Feder	4.78%	0.72%		8.32%		46.52	4.27%
Region	3.44%	1.43%		18.59%		52.55	4.83%
Département	2.81%	1.43%		19.97%		49.55	4.55%
RFF-SNCF				13.54%		13.7	1.26%
State	23.10%		55.50%	37.39%		208.52	19.16%
APIH*	61.93%		23.04%			433.6	39.84%
Operators			21.47%		100.00%	279.1	25.65%
TOTAL	693		19.1	101.15	275	1 088.25	
% line	63.68%		1.76%	9.29%	25.27%		1

* Autonomous Port of Le Havre

Table 3: Breakdown of finance for the French Autonomous Ports

	State	Local and regional Authorities	Autonomous port
Maritime access	80% (1)	Rare	40% (in theory)
Quays, vessel repair equipment	60% (1)	Variable	40% (in theory)
Container yards, roads	Zero	Rare	Fundamental
Railways	SNCF: 50% (1)	Zero	50%
Superstructures, equipment, buildings	Zero	Variable	Fundamental

1: Legally defined level (Maritime ports code)

3.2. Support for the project from civil society: a public debate and environmental measures

Although the infrastructure was designed by engineers from the Autonomous Port, it was not imposed on the other parties. The entire project became the subject of a broad consultation. This consultation was required by the so-called “Barnier Act”⁴ of 2 February 1995. This act made it necessary to have a wide-ranging public debate for any major project with socioeconomic and/or environmental consequences at regional or national level in order to evaluate the advisability of the project with all the partners and civil society.

This was a major revolution for the Autonomous Port, which was a public body dominated by a culture of engineering. In the thirty year post-war boom, during which the last phase of the major works had been carried out, “it was sufficient to lay concrete, construct quays and watch the traffic arrive”⁵, as the port was naturally associated with progress and growth. In contrast, the announcement of the Port 2000 project produced a general outcry among the users of the estuary whose activity was not related to the trading port: the fishermen, the tourist municipalities on the left bank of the Seine (the municipalities of the “Côte Fleurie”, in particular Honfleur and Deauville), and environmental protection associations who were very keen to defend the Natura 2000 network promoted by the European Union. This opposition was powerful and had the means to halt the project. The fishermen were capable of blockading the port with their vessels for a considerable length of time. The municipalities in the “Côte Fleurie” belong neither to the same region nor the same département as Le Havre. As providers of holiday accommodation to the Parisian elites they could influence powerful opinion leaders. The environmental associations invoked European legislation and their arguments found a strong echo in public opinion.

In this situation of stalemate, the obligation to have a public debate, far from constituting an additional obstacle, emerged as the essential factor which allowed the project to crystallize and subsequently made it irreversible. The Autonomous Port had prepared this public debate for more than a year with the assistance of a consulting firm in order to analyze the causes of possible rejection, and to change behaviours inside the Autonomous Port in order for it to go out to meet the users of the port in order to take account of their expectations instead of imposing a turnkey solution (Chardonnet, 2006).

Forty-two meetings took place during the four months of public debate between November 1997 and March 1998. These meetings reached a consensus that Port 2000 was an economic necessity at national, regional and local levels. Port 2000 had to provide France once more with a port that was competitive on the European maritime stage. It constituted a lever for

⁴ M. Barnier was Environment Minister at the time.

⁵ Interview with M. Dubois, Director of the Autonomous Port from 19.. to 19..

growth and jobs at local level, which explains the rapidity with which the various local authorities came to support the project and their participation in its finance.

Environmental issues and conflicts concerning use of the estuary arose in connection with the choice of the infrastructure, “with regard to safety and environmental integration, what is the best place to locate long straight quays, container yards with widths of 500 m to 600m, and nautical and terrestrial access to these facilities?” (Scherrer et al, 2006). Discussions led to a new consensus: the Seine estuary has been profoundly damaged ecologically by several decades of development. A project of this type could provide the opportunity to initiate a process of rehabilitation for the estuary. The public debate laid down the principle that the construction of the infrastructure should be accompanied by major environmental measures. These measures were developed subsequent to the public debate in a consultation venue which was neutral for all the actors, namely the Maison de l’Estuaire, which is an association chaired by an independent figure, the President of the University. Consultation therefore continued after the initial public debate.

The environmental measures consisted of creating a large nature reserve which encroaches considerably on the maritime industrial zone (Huet et al, 2004). This was necessary in order to obtain European FEDER funding. This area will be part of the Natura 2000 network of remarkable protected sites, in compliance with the European Birds and Habitats Directives. The mud flats, where the fish and crustaceans of the Seine Bay reproduce and where birds feed, will be artificially recreated as their surface area has dramatically fallen in the last 50 years. Finally, a rest area (artificial island) has been constructed for birds as the Seine estuary is an important stop for migrating birds. The total cost of the environmental measures was 24.8 million Euros, i.e. 3.58 % of the cost of the infrastructure. As a result, the port’s engineers acquired a high level of environmental expertise (see Table 2).

The Port 2000 project was definitively launched after the public debate as it depended on strong support from civil society. Of course, new obstacles appeared between then and the project’s opening in 2006, but they were overcome by the culture of consultation created during the public debate.

3.3. A new order for port facilities and services: freight handling

The size of the new infrastructure is such as to disqualify local freight handling interests, as in principle they would be unable to make the necessary investment in superstructures. This was, incidentally, the stated objective of the port's director at the time: "this project is so large that local interests will not be able to survive"⁶.

After an initial phase of opposition to the project, the local freight handlers came to support it, recognizing its inevitability. With a new director who was more open to negotiations, the Port Authority took on a central role in discussions between the different partners. Its objective was clear: for the freight handling operators to finance superstructures and to retain sole control at the terminal.

The legal instrument which made it possible to achieve this objective was the standard terminal operation agreement for French Autonomous Ports, promulgated by a decree of 19 July 2000. This new stage corresponded to a transition to a landlord type port which leaves investment in quay surfacing, terminal facilities and the purchase of the necessary freight handling equipment to the private operator which performs freight handling. It is also this operator which is responsible for the entire operation of the terminal, particularly with regard to staff. The port of Le Havre was here following the example of Dunkirk which had implemented a fairly similar agreement for its mineral terminal in 1999.

The strategic choice of operators fell to the Port Authority, with central government support (Notteboom, 2007b). Port 2000 is unique amongst its Northern European competitors in that it has retained some local interests that are connected with shipping lines. Rather than leaving freight-handling at the port in the hands of the major global terminal operators, as has been done at Rotterdam with Hutchinson or Antwerp with PSA, Le Havre has tried to achieve a more original solution which introduced a degree of competition by ultimately awarding three concessions for Port 2000 and, above all, linking major shipping lines with the local freight handlers by means of joint ventures: MSC and Terminaux de Normandie, Maersk and Terminaux de Normandie, GMP and CMA-CGM. It is, nevertheless, true that GMP is no longer a local operator as it has been purchased by P&O Ports, which has itself been purchased by DP World. The involvement of these large shipping lines makes it possible to finance facilities which local operators on their own would be unable to do.

For the port, this investment ensures the loyalty of the three largest global shipping lines which are making Le Havre both a "gateway" port and a transshipment centre. The shipping

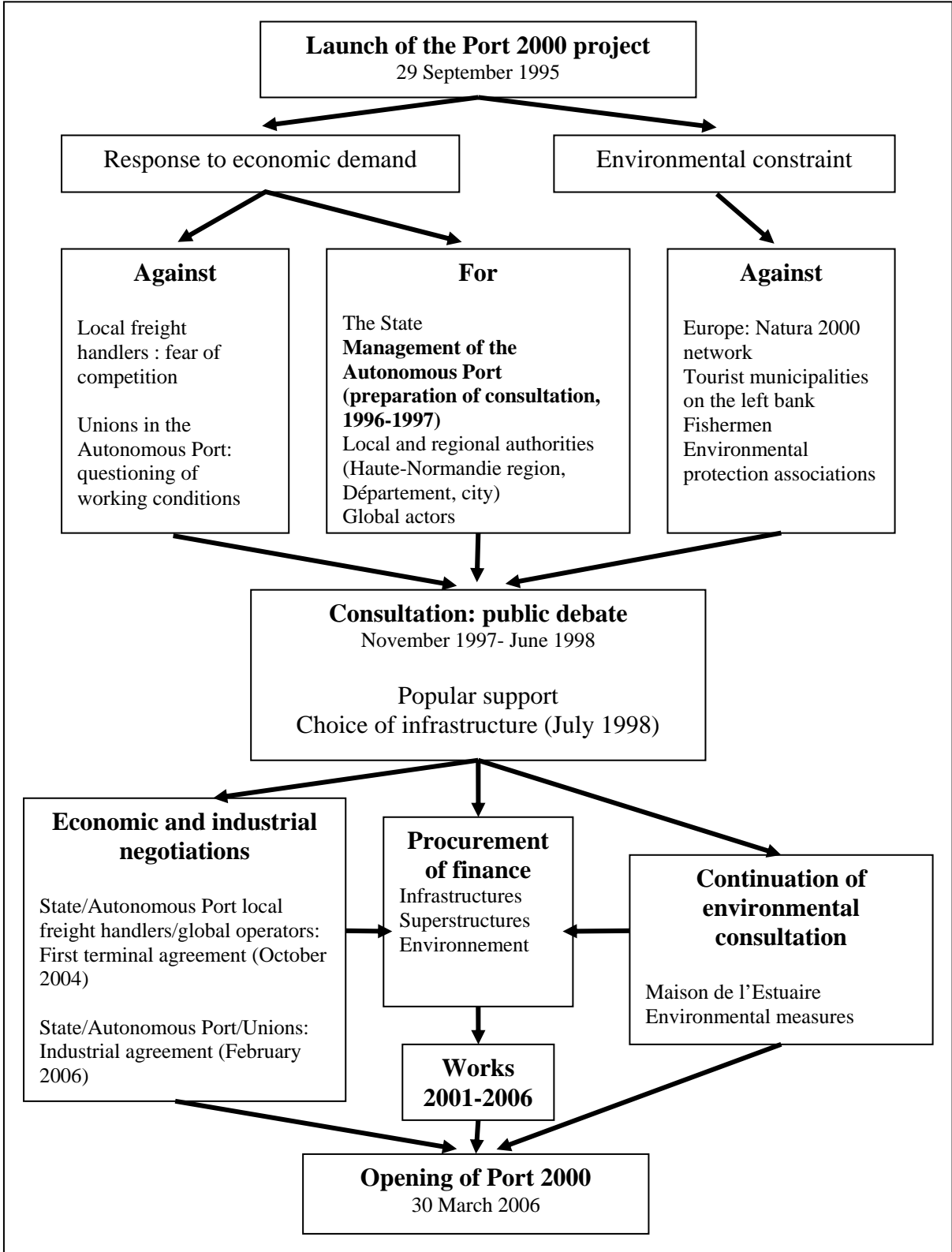
⁶ Interview, June 2001.

lines control the conditions of productivity and make the terminals secure at a time when Northern Europe is beginning to suffer from a lack of space. The concessions obtained are long: for example, 36 years for Terminaux de Normandie/Maersk. This is longer than the principle laid down by the Brussels Directive but similar to practice in other European ports. The port has reassurances as regards traffic as the agreements require results, for example 375,000 annual movements and 630,000 TEUs for TN/Maersk.

The Port Authority is no longer a stakeholder in any of the freight handling companies. It thus falls into line with the Brussels Directive (never passed) on port services without needing to set up an independent regulating authority. The Autonomous Port must therefore, as the body granting concessions, monitor that the operators fulfil their commitments with regard to their concession.

Another aspect of the negotiation related to resolving the industrial relations issues arising from the new organization of work. Having a single entity in charge of the terminal meant that the gantry crane operators had to become employees of the terminal operator. Until then, the gantry crane operators had public-sector employee status under the autonomous Port Authority. The negotiations almost put a stop to the Port 2000 concessions. The gantry crane operators, who were employed by the autonomous port, were fearful of being managed by private sector operators. The firms that applied for concessions in Port 2000 made this a preliminary condition for their investment. After a long game of “call my bluff” involving the government, the autonomous port, the unions and the freight handling operators, a solution was finally reached in February 2006, one month before the official opening of Port 2000. The gantry crane operators came de facto under the control of the freight handlers but with the possibility of returning under the control of the Autonomous Port. The negotiations took place without any major industrial dispute. There have been no strikes at the port of Le Havre for many years.

Figure 2: The Port 2000 Project: the principal stages and major actors



Conclusion

The Port 2000 infrastructure project has made it possible to reshuffle the cards. The solution is typical of France, even typical of Le Havre, which illustrates the specific nature of every port location in the world. The case of Port 2000 demonstrates the need to take into account the diversity of interested parties, some local, others international, who have to be convinced of the utility and necessity of the port. The public debate played a key role in facilitating this awareness. Thus the participation of the ecologists who represented national concerns, allowed the port to extend its site into a fragile coastal environment. The project illustrates a particularly French solution to the issue of the entry of international terminal operators by ensuring the continued presence of local actors. This is quite different to what has taken place in Antwerpen.

Public influence is still strong, especially the role of the central government, which played a key role in the conception of the project and its implementation. This is manifest through its influence over the port authority, since the director of the PAH is nominated by the Council of Ministers, and is drawn from the rank of civil service engineers of the Ponts et Chaussées. This enables the state to oversee the growing influence of private capital in the port.

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