**IP/02/575**

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# Commission renews clearance of rail shuttle joint venture between Maersk and P&O Nedlloyd

***The European Commission has decided not to oppose the continuation for another three years of a joint venture between Maersk Intermodal BV and P&O Nedlloyd BV that provides scheduled rail transport services for the containers of both parent companies between deep sea ports and inland terminals. The joint venture, originally approved in 1998 for a three-year period, is expected to continue to bring benefits in terms of increased competition in rail freight, which outweigh the restrictions of competition between Maersk and P&O Nedlloyd.***

This case concerns European Rail Shuttle BV (ERS), a joint venture between Maersk Intermodal BV and P&O Nedlloyd BV. Its primary purpose is to provide rail services for its parent companies for the movement of their containers between several deep sea ports and a number of inland terminals. ERS also offers any spare train capacity to third parties.

The joint venture agreement was first notified to the Commission in 1998 with a view to obtaining clearance under Regulation 1017/68 of 1968 laying down the application of the competition rules to transport by rail, road and inland waterways. The Regulation provides that if the Commission does not oppose an operation it is automatically cleared for a period of three years, which is what happened then.

Following the expiry of the three-year period, Maersk and P&O Nedlloyd applied for the exemption to be renewed. A summary of the new notification was published in the Official Journal on 17 January 2002[1]. There were no objections.

The Commission's assessment of the evolution of the market in the past few years noted that the ERS network has been expanded from its original operations between the port of Rotterdam and inland terminals in Germany and Italy. The network now includes the ports of Bremerhaven and Hamburg as well as additional inland terminals in Germany and new points in Poland and Hungary among other countries.

The Commission takes the view that, while ERS continues to have the potential to distort competition, there are countervailing benefits, notably that the expansion of the ERS network will further enhance competition in a market which, until relatively recently, has been almost the sole preserve of the state owned railways.

Accordingly, the Commission has decided not to raise serious doubts within the meaning of Article 12(3) of Regulation 1017/68, which automatically means that the joint venture benefits from a further three-year exemption.

[1] OJ C13