

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the monitoring, reporting and verification (MRV) of carbon dioxide emissions from maritime transport and amending Regulation (EU) No 525/2013

ECSA POSITION PAPER

on the EU Parliament position¹ for the extension of the scope to ships above 400GT and the inclusion of Nitrogen/others GHG emissions in the proposed EU Regulation

(11 March 2014)

As an addition to the ECSA position paper issued in October 2013² on the European Commission proposal for a CO2 MRV system on maritime transport, ECSA urges the legislators to refrain from extending the scope to ships above 400GT and from including Nitrogen(NOx)/others GHG emissions which would respectively result in unnecessary administrative burden on small ships and in impractical monitoring issues in the proposed EU Regulation.

Furthermore, the inclusion of parameters going at this stage beyond the current and expected discussions in IMO will be detrimental to a swift international solution in the IMO. Consistency with IMO efforts addressing CO2 monitoring and shipping energy efficiency must be ensured.

ECSA believes that an MRV regulation should apply to ships above a Gross Tonnage (GT) limit set at a level that excludes small emitters and consequently avoids an unacceptable burden on small ships - which proportionally represents a very limited fraction of the total CO2 emissions. Hence, ECSA believes that ships above the 5000GT threshold³ – whilst covering 90% of the CO2 emissions and accounting for around 55% of the number of ships calling at EU ports – will determine an acceptable 'administrative burden'-'environmental effectiveness' ratio.

ECSA does support the monitoring and reporting of data from fuel consumption for the limited purpose of establishing the CO2 emissions from maritime transport. CO2 is by far the most important GHG emitted by ships – both in terms of quantity and of global warming potential (GWP), and the potential benefits from reducing emissions of other greenhouse gases are small in comparison. Obviously, emissions

¹ European Parliament, Report A7-9999/2014 of the Committee on the Environment, Public Health and Food Safety.

² Link: ECSA position paper dated 11.10.2013. www.ecsa.eu

³ As suggested with the EU Commission proposal (COM(2013) 480 final).

of other relevant substances as exhaust gas GWP or pollutants will be reducing as the energy efficiency of individual ships improves. This is linked to the reductions in emissions that are mandated from the implementation of the revised MARPOL Annex VI.

Furthermore, as rightly expressed with the Commission proposal, the measurement equipment required for emissions other than CO2 cannot be considered as sufficiently reliable and commercially available for use at sea. In particular, continuous NOx monitoring requires a much more complex technical measurement equipment as it cannot be calculated via emission factors like for CO2 emissions. Therefore, at this stage, the proposed MRV system should be implemented for CO2 emission monitoring only.

Brussels, 11 March 2014.

Additional background information:

As a contribution towards finding an appropriate global solution for CO_2 monitoring from international shipping European shipowners welcome the Commission's proposal for a Monitoring, Reporting and Verification (MRV) system of CO_2 emissions from maritime transport. ECSA however believes that any mandatory requirements on MRV for the international shipping sector must be agreed upon at the International Maritime Organisation (IMO) level, as this is the only way of securing a globally harmonised system.

The EU initiative should primarily encourage ways and means of collecting data on fuel consumption by international shipping through the IMO. ECSA therefore believes that a stepwise approach needs to be taken, which first focuses on data collection and data collection only. In a second phase, the IMO can address to what extent the existing global fleet can reduce its fuel consumption and consider whether a compulsory instrument for the existing fleet is the appropriate tool. It is therefore of the utmost importance that the foreseen reviews of Annex I and II of the EU MRV system will be fully aligned with future IMO requirements.

The European Community Shipowners' Associations (ECSA), formed in 1965, comprises the national shipowners' associations of the EU and Norway. ECSA aims at promoting the interests of European shipping so that industry can best serve European and international trade and commerce in a competitive and free business environment, to the benefit of both shippers and consumers. The European Economic Area maintains its very prominent position with a controlled fleet of 40% of the global commercial fleet.

Contact:

Benoît Loicq Phone: +32-2-510.61.25 (direct) / +32-2-511.39.40 / Email: <u>benoit.loicq@ecsa.eu</u> / www.ecsa.eu

ECSA - European Community Shipowners' Associations Rue Ducale 67/2 Hertogstraat - B-1000 Brussels / BELGIUM