



# ECSA Newsletter

## European Community Shipowners' Associations

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### COMMISSION'S ENERGY/CLIMATE PACKAGE

On 23<sup>rd</sup> January the European Commission published a package of proposals to tackle climate change and promote renewable energy.

The background is a European Commission integrated energy/climate change proposal published in January 2007 that addressed the issues of energy supply, climate change and industrial development. Two months later, European Heads of State endorsed the plan and agreed to an Energy Policy for Europe. The package as presented is aimed at putting in place specific measures to meet these targets agreed last year which are:

- 20% increase in energy efficiency by 2020
- 20% reduction in greenhouse gas (GHG) emissions by 2020 (and a 30% reduction subject to a conclusion of a comprehensive international climate change agreement).
- 20% share of renewables in overall EU energy consumption by 2020
- 10% biofuel use in Europe's transport sector by 2020

The package includes the following policy proposals:

- **A directive strengthening and extending the EU Emissions Trading Scheme**, covering more GHG emissions (currently CO<sub>2</sub> only) and allowing firms in one country to buy allowances in any other. The emission allowances put on the market will be reduced year on year to allow emissions covered by the ETS to be reduced by 21% from 2005 levels in 2020. Revenue accruing to Member States should be used to support innovation in renewables, carbon capture and R&D as well as helping developing countries adapt to

climate change. All large industrial emitters and aviation are now included but not maritime at this stage.

- **A Proposal setting a differentiated ceiling on greenhouse gas emissions for each Member State in sectors not covered by the ETS**, such as buildings, transport, agriculture and waste. Individual targets will depend on a country's GDP.
- **A proposal for a Directive promoting renewable energy**, to help achieve the above emissions targets. .
- **A Proposal aimed at establishing a legal framework to ensure safe and environmentally friendly carbon capture and storage.**
- **A Commission Decision revising the code governing state aid granted for environmental purposes**, setting out new guidelines broadening the scope of aid projects to promote environmental protection.

The proposal will be discussed in parallel in both Council and the European Parliament, and falls under the so-called co-decision procedure. The intention is to push through the package during the current term of Parliament.

### CLIMATE CHANGE AND SHIPPING *A Proactive Approach*

Shipping, the backbone of world trade, is clearly the most energy efficient and most environment friendly mode of transport with a good performance on emissions. However, this is not a reason for complacency. ECSA acknowledges that there is a need to further improve this performance and is committed to constructively examining how this can best be achieved. The industry is proactively looking at different options to further reduce air emissions on all fronts. It has

become clear that a holistic approach is the only way forward since measures addressing one emission may have influence on another.

In relation to any future climate regulation of shipping, ECSA believes that the following fundamental principles should be applied:

- Regulation must be flag neutral to ensure a level playing field for EU shipping and agreed internationally to ensure consistency.
- Regulation must focus on relative reduction with a view to continuously improving efficiency of the individual ship and recognise that absolute reduction objectives are not within reach given the growth in world trade.
- Regulation must ensure the free choice of method to reduce CO<sub>2</sub> emissions, via goal based standards, and to promote innovation and cost effective solutions.

There are a variety of options to improve performance, with the pros and cons of the following, in particular, meriting attention;

- **Technical and Operational** options include more efficient engines, improved hull and propeller design, energy optimal fleet operations, reduction of ship speeds, better waste utilization, and alternative fuels and means of energy.
- **Legislative Options** include CO<sub>2</sub> emission indexing, the inclusion of maritime transport in the Global Emission Trading Scheme, allocation of emissions from maritime Transport to States and mandatory differentiation of harbour dues.

ECSA issued position papers in cooperation with the International Chamber of Shipping addressing in some detail the current credible environmental performance of shipping and its importance for world trade. They elaborate on the above technical, operational and legislative options whereby further improvements might be made. The papers

can be found on the ECSA web site [www.ecsa.eu](http://www.ecsa.eu).

Emission trading is a very complex issue particularly for an international business as shipping. ECSA has established an emission trading expert group to investigate the technicalities of possible emission trading schemes for shipping.

In the climate change debate, ECSA believes that shipping should be regarded as the best available solution to the global need for transportation as it produces less greenhouse gases per tonne kilometre than any other form of transportation and technological advances and the use of larger ships are constantly improving that efficiency.

## **COMMUNICATION OF A EUROPEAN PORTS POLICY**

### ***ECSA Comments and suggestions: Sound principles now to be acted upon***

Having studied the Commission Communication on a European Ports Policy ECSA has issued a detailed commentary which can be found on the ECSA website [www.ecsa.eu](http://www.ecsa.eu).

The key points of the submission can be summarised as follows:

- ECSA is pleased to note that the Communication acknowledges the necessity of extension and investments in ports and hinterland connections as a priority. The present procedures must now be improved. ECSA looks forward to suggestions in this respect and will contribute in the further discussion process.
- ECSA notes that, as suggested by stakeholders, a soft law approach has been followed. It must however be clear that further improvement in efficiency, modernisation of services and ensuring the relevance of services remains a necessity for all services including technical-nautical services.
- In this respect existing legislation particularly the four freedoms of the Treaty and the Competition Rules

should be properly applied on all port services. This is confirmed in the Communication. The reference to Pilot Exemption Certificates and an enhanced use of technological innovation is appreciated.

- The establishment of a European sectoral social dialogue committee in ports is appreciated. However, it speaks for itself that ECSA as a main port user wants to be directly involved in all future discussions with stakeholders and the EU Institutions on the application of the European Port Policy.

The Commission Communication lays down sound principles of a European Port Policy; these principles should now be supported and applied by all parties involved. The Commission should fully enact its role as guardian of the Treaty in this respect.

### **MARITIME AGREEMENT EU-CHINA**

The bilateral maritime agreement with China was already concluded and signed in December 2002. It took years before the Member States (15) had all ratified the agreement, but on 28 January 2008 the General Affairs and External Relations Council could give the final approval. The Council further approved the conclusion of a protocol for accommodating the inclusion of the ten new Member States; a similar protocol is anticipated for Bulgaria and Romania. Since the early signing of the agreement the Chinese side has displayed a most pragmatic attitude in effectively honouring the conditions of the agreement and cooperating during annual meetings, including shipping representatives, for coming to further liberalisation and enhancement of efficiency. This first bilateral maritime agreement by the EU should now be formally implemented effective 1 March, but has already proven its benefits for all concerned and sets a most positive example.

Following a political agreement in June 2007, the Council formally adopted on 15 October 2007 a Common Position on the draft Regulation modernizing the Community Customs Code. The modernised Community Customs Code is aimed at simplifying legislation and streamlining customs process and procedures for the benefits of customs authorities and traders. The Common Position has been forwarded to the European Parliament (EP) for a second reading and discussions in the EP will take place in the coming weeks.

On 1 January 2008, the provisions of Regulation 1875/2006 relating to the status of an Authorised Economic Operator (AEO) entered into force. According to this regulation, an AEO Certificate Customs Simplifications / Security and Safety can be issued to any economic operator established in the Community who fulfils the criteria of customs compliance, appropriate record-keeping standards, financial solvency, who maintains appropriate security and safety standards and who wants to benefit from AEO benefits. These benefits include, amongst others, fewer physical and document-based controls, priority treatment of consignments if selected for control, easier admittance to customs simplifications, reduced data set for summary declarations, etc.

Regulation 1875/2006 also includes provisions on advance cargo declaration. These provisions will enter into force on 1 July 2009. They determine the customs/security formalities that need to be fulfilled when goods are entering into the EU and/or are leaving the EU. A Community system on advance cargo declaration can only work in practice if it is implemented electronically. To that end, there are ongoing discussions between the European Commission, Member States and trade.

## **SECURITY** **Customs**

## **MOTORWAYS OF THE SEA**

### ***North Sea Motorways of the Sea***

#### Pre-notification of a Second joint call for submission of Motorways of the Sea project proposals for the North Sea region.

Established in October 2006, the North Sea Motorways of the Sea Task Force works on the implementation of the Motorways of the Sea concept in the North Sea region. The current membership of the Task Force is: Belgium and the Flemish region of Belgium, the Netherlands, Germany, Denmark, Sweden, the United Kingdom, and Norway. Recently France and Ireland joined the Task Force.

On 9<sup>th</sup> July 2007, the North Sea Motorways of the Sea Task Force issued the first joint call for the submission of project proposals which has to precede the official call of the European Commission according to the requirements of the TEN-T-Guidelines. This call was closed on 15<sup>th</sup> October 2007. Four project proposals were submitted by consortia involving ports, transport operators and terminal operators. These project proposals are now being evaluated by the countries concerned. Selected projects will be presented with Member States' support to the European Commission early in 2008, which will then assess whether the projects qualify for community funding under the European TEN-T programme.

This pre-notification of the Task Force intends to notify interested parties that a second joint call for submission of project proposals will be issued in 2008. This call will be tentatively opened in March 2008 and closed in September 2008.

The North Sea Motorways of the Sea Task Force hopes to receive in 2008 once more high quality project proposals from the North Sea region.

### ***Eastern Mediterranean Motorways of the Sea***

The Eastern Mediterranean area is recognized as a major international maritime transport arena, with "nodes" and corridors of truly global importance. Due to the existence of the Suez Canal and the shortcut it provides between the Indian and the Atlantic Oceans, the Mediterranean sea and the Eastern Mediterranean more particularly, serves a huge number of converging global maritime transport links & services.

The existence of ports and intermodal connections of global importance along with the significant growth potential of the region creates a significant opportunity for the development of the Motorways of the Sea concept in the Eastern Mediterranean (EastMed-MoS). The EastMed-MoS corridor links the Adriatic Sea to the Ionian Sea and to the Eastern Mediterranean (including Cyprus).

To improve the overall efficiency of the transport system in this region and encourage the formulation of MoS projects, a task force was set up, composed of representatives of governments and authorities of Greece, Italy, Malta, Cyprus and Slovenia, in order to develop a Master Plan for the Eastern Mediterranean Motorways of the Sea.

Details on the Eastern Mediterranean Motorways of the Sea project can be found on the following website:

<http://www.eastmed-mos.eu/public/page/ibandi-annunci.asp?L=EN>

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