



ECSA Newsletter

European Community Shipowners' Associations

• N° 3/08

IMO MARPOL ANNEX VI

ECSA welcomes the agreement reached at IMO

Sulphur Oxide (SOx)

After intense negotiations at IMO's Marine Environment Protection Committee last week (31-4/04/08) there was unanimous agreement on more stringent standards on the sulphur content in ships' fuel on 4th April. Fully welcomed by ECSA, the agreement clearly demonstrates the ability of IMO to take timely and effective action on the vital issue of air emissions from ships, and enhances the reputation of IMO as the prime body for the regulation of the global shipping industry. The key elements of the agreement are as follows;

2010 – Emission Control Area (ECA) limit reduced to 1%

2012 – Global limit reduced to 3.5%

2015 – ECA limit reduced to 0.1%

2020 – Global limit to 0.5% but a review in 2018 (with the authority to delay implementation) will determine if this is achievable.

2025 – Global limit to 0.5% notwithstanding the result of the 2018 review.

It should be noted that compliance can be achieved by alternative fuels or abatement equipment and that there are provisions relating to fuel availability.

At its meeting on 7th April, ECSA's Safety and Environment Committee welcomed the provisional Agreement, noting that the principles set by ICS and ECSA at the beginning of the negotiation have been retained. These are the need for goal-based compliance options, the need to take account of the relationship between

emission types, the need to stimulate technical innovation, and agreement on both short term and longer term goals.

The ambitious timetable presents a considerable challenge for the industry and one which will probably result in significant additional fuel costs. ECSA believes that the Agreement should be enough to satisfy the environmental goals of the EU Commission and European Parliament so as to avoid any need to introduce additional EU measures. However, there is a potential danger that the additional costs for short sea shipping will result in a shift from the sea to the less environmentally credible land based transport. This environmentally counterproductive consequence will need to be addressed in the context of the application of the IMO Agreement in the EU.

Nitrogen Oxide (NOx)

For NOx the three-tier structure for new engines will set progressively tighter NOx emission standards for new engines depending on the date of their installation.

As regards the treatment of 'existing engines', the IMO agreed to a so-called 'kit-based' approach. This requires that for engines on ships built between 1990 and 1999 and whose cylinder volume is greater than 90 litres and installed power is greater than 5000kW, if manufacturers are in a position to offer a kit to reduce emission to Tier I¹ level and it is approved by the Administration then it must be fitted at the first renewal survey.

¹ Tier I represents the 17 g/kW standard stipulated in the existing Annex VI.

GREENHOUSE GASES (GHG)

At the last week's IMO MEPC57 meeting the GHG working group reviewed as a priority the short term and long term measures identified by a Correspondence Group. They agreed that best practices on a range of measures should be further developed with the aim of developing a resolution, as appropriate, at the Intersessional meeting on GHGs in Oslo on (23-27 June 2008). The intersessional meeting will also address market-based, operational and technical measures such as: develop the mandatory CO2 design index, review the existing CO2 operational index guidelines and develop mechanisms with GHG reduction potential. These include: global levy/hybrid mechanism, emission trading schemes and/or Clean Development Mechanism (CDM) and best practices. The meeting will consider the level of reductions that can be achieved and present a written report to MEPC 58.

The Correspondence Group was re-established to look into the measures that will not be discussed at the intersessional meeting in Oslo and is to present an interim report to MEPC 58 (6-10 October) and its final report to MEPC 59.

As regards possible EU action, DGENV has very recently finalised the terms for its study to inter alia look into a number of market based options identified in a 2006 study as having potential. These include CO2 indexing, differentiated harbour dues, possibly a CO2 charge and emission trading. The study will start in summer and is due for finalisation in 12 months time.

Against this background the ECSA Board agreed last December that ECSA should analyse the pros and cons of ETS. An ECSA Working Group was subsequently formed to undertake a factual analysis of the possibilities of ETS and other possible market based instruments such as: CO2 charge/levy and CO2 index.

The ECSA Board meeting of 27 March invited the Commission's DG Environment to a useful and constructive exchange of views on the position of shipping on GHG and on the work currently taking place

within the shipping industry and the way ahead. These initiatives should be seen against the background of additional work being undertaken on these issues at an inter-industry level.

In the same context, an ECSA/EMEC Workshop will be organised in Brussels on 4 June primarily focussing on the action being taken by industry and internationally to reduce CO2 emissions. It is believed that this event will prove of interest and benefit to representatives from the EU institutions, shipowners, marine equipment manufacturers, yards and ports.

COUNCIL OF EU TRANSPORT MINISTERS - 7 APRIL 2008

Maritime Safety Package III

The Council of EU transport ministers met on 7 April and discussed the two remaining proposals of the Maritime Safety Package III notably on Flag State Compliance and on Civil Liability of shipowners.

Proposed Directive on Flag State Compliance

A policy debate took place, the end result being that the proposal is not supported by a qualified majority of Member States. In the absence of political support for the measure, the Slovenian Presidency indicated that it will not continue to work on the proposal. However, Member States made a commitment to perform IMO's voluntary flag state audit scheme and to work within IMO to make it mandatory.

Proposed Directive on Civil Liability and Financial Guarantees of Shipowners

Also on this proposal there was a policy debate, the outcome also being that the proposal is not supported by a qualified majority of Member States. The Slovenian Presidency will therefore not continue work on the proposal. However, Member States undertook to ratify the 1996 LLMC and to fully implement its provisions.

Way Forward with the Maritime Safety Package III

In light of the outcome on these two proposals, the agreements reached on the five other proposals of the maritime package III will, after formal common positions have been prepared, be shortly be transmitted to the European Parliament for the 2nd Reading process to start. The five proposals covering respectively port state control, vessel traffic monitoring including places of refuge, accident investigation, classification societies and the liability of carriers of passengers by sea and inland waterways in the case of accidents are directly safety related. ECSA hopes that the 2nd reading process will result soonest in agreement and application of these proposals.

SECOND CALL FOR MOTORWAYS OF THE SEA PROJECTS IN THE NEW SEA REGION

The Member States of the North Sea region have issued a joint call to port and transport operators to bid for EU funding for Motorways of the Sea (MOS) projects in the North Sea Region as defined in priority project No.21 of the Trans-European Transport Network (TEN-T) guidelines. Project proposals should be submitted to the ministries and authorities directly concerned for evaluation.

The Relevant document can be found on the following websites:

<http://www.flanderslogistics.be/mos/>

The Netherlands - Ministerie van Verkeer en Waterstaat

http://www.verkeerenwaterstaat.nl/onderwerpen/goederenvervoer/zeescheepvaart/achtergrond/motorways_of_the_sea/

France - Ministère de l'Écologie, de l'Energie, du Développement durable et de l'Aménagement du territoire

http://www.transports.equipement.gouv.fr/rubrique.php?id_rubrique=2401

United Kingdom - Department for Transport

<http://www.dft.gov.uk/pgr/freight/waterfreight/mos/moscallfortender>

Germany - Bundesministerium für Verkehr, Bau und Stadtentwicklung
<http://www.bmvbs.de/dokumente/-302.949390/Artikel/dokument.htm>

European Commission

http://ec.europa.eu/transport/intermodality/motorways_sea/potential.htm

The European Commission introduced the concept of Motorways of the Sea in its 2001 White Paper, defining MOS as follows: Motorways of the Sea are existing or new sea-based transport services that are integrated in door-to-door logistic chains and concentrate flows of freight on viable, regular, frequent, high-quality and reliable Short Sea Shipping links. The deployment of the Motorways of the Sea network should absorb a significant part of the expected increase in road freight traffic, improve the accessibility of peripheral and island regions and states and reduce road congestion.

The 2004 revision of the guidelines for the Trans-European Transport Networks (TEN-T) included the development of four Motorways of the Sea corridors as one of 30 priority projects, which will receive the bulk of EU funding under TEN-T.

The Motorway of the Sea corridor for Western Europe includes the North Sea. Since late 2006, representatives of the governments and authorities of the Netherlands, Belgium and the Flemish region of Belgium, France, Germany, Denmark, Sweden, the United Kingdom and Norway along with representatives from industry have met regularly to draw up plans to encourage bids for EU funding. The second call for tender is an outcome of this work.

The proposals will be evaluated jointly by these ministries and authorities, based on evaluation criteria described in this notification. The Motorways of the Sea project proposals that are approved by the directly involved Member States will receive the necessary administrative support from the respective governments and will be presented by the relevant Member States to the European Commission for TEN-T financing. This

does not exclude, where appropriate, application for other EU or Member State financial instruments. The selection by Member States does not bind the European Commission in its evaluation.

EMSA LAUNCHING A TENDER FOR STAND-BY OIL SPILL RECOVERY VESSELS

The European Maritime Safety Agency (EMSA) is launching a new procurement procedure for stand-by oil spill recovery vessels in the Black Sea and North Sea areas. The 2008 tender will establish 3 year renewable contracts with commercial shipowners and/or operators and/or spill response organisations and/or manufacturers.

The related "Contract Notice", published on 10th March in the Supplement to the Official Journal of the European Union (OJEU), has the associated "Invitation to Apply" deadline of 29th April.

All relevant information, e.g. technical specifications, legal and financial documentation requested, is available through the EMSA website under the "Procurement" section (www.emsa.europa.eu/end185d014d013d001.html).

EMSA was created in the aftermath of the Erika accident and in the specific field of pollution response, EMSA has been tasked with the following:

- "To provide Member States & the Commission with technical & scientific assistance in the field of accidental or deliberate pollution by ships."
- "To support upon request with additional means in a cost efficient way the pollution response mechanisms of Member States."

To date, the Agency has established a network of stand-by oil spill recovery vessels through contracts with the spill response and shipping industries in the Baltic Sea, along the Atlantic Coast and in the Mediterranean Sea.

The 2008 tender aims to strengthen the network in the Black and North Seas areas through three year renewable contracts with commercial ship-owners and/or

operators and/or spill response organisations/manufacturers awarded through a public procurement procedure. The current system, and that which is sought by the Agency in 2008, is that vessels carry out their normal commercial activities until such time as the Agency receives a request for assistance from a coastal State or the Commission to respond to a marine oil spill. At this point, they will be rapidly transformed into oil recovery vessels and made available for at-sea oil recovery activities.

EMSA would like to encourage a comprehensive arrangement based around a "pool" of pre-fitted vessels, from which one or more could be mobilised. The number of vessels that could be mobilised would be pre-agreed in the relevant contract.

Following any pre-fitting works, these vessels will ideally have large recovered oil storage capacity and "state of the art" equipment (such as a slick detection system), as well as a choice of oil recovery systems (sweeping arm or boom & skimmer). The specialised oil spill response related equipment will either be stored permanently onboard or containerised to facilitate rapid installation onboard the vessels (For more information please consult the EMSA leaflet "Effective at-sea pollution response" available under the "Pollution Response" area of our website (www.emsa.europa.eu)).

CRIMINAL SANCTIONS FOR SHIP-SOURCE POLLUTION

New proposal for a Directive replacing the annulled Framework Decision

On 11 March, the European Commission adopted a new proposal for a Directive in replacement of Framework Decision 2005/667/JHA of 12 July 2005 to strengthen the criminal law framework for the enforcement of the law against ship-source pollution.

Framework Decision 2005/667/JHA was annulled by the European Court of Justice in 2007 as it had been adopted on a wrong legal basis.

The new proposal for a Directive follows the lines of the ECJ's judgment and copies the content of relevant provisions of the Framework Decision into a Directive which will amend the existing Directive 2005/35/EC. The annulment of the Framework Decision and the forthcoming negotiations on the newly proposed directive do not affect the implementation of the provisions of the existing Directive 2005/35/EC.

The new directive will clarify that the infringements defined in Directive 2005/35/EC have to be considered as criminal offences and are to be sanctioned by criminal penalties. The Directive will also oblige Member States to ensure that companies can be held liable for criminal offences committed for their benefit and that these companies are subject to effective, proportionate and dissuasive penalties of an administrative or criminal nature.

CHANGES IN DG TREN

On 1 April the Security Directorate of DG TREN has been incorporated in the Directorates dealing with the relevant transport modes. For maritime, Dimitrios Theologitis has joined Directorate G – Maritime/Galileo and intelligent transport and will be heading the Unit in charge of maritime security and maritime transport and port policy. Jean Trestour and Ben van Houte have moved to Directorate B – Transport logistics, TEN-T and co-modality. Jean Trestour will be heading the Unit in charge of inland waterways, motorways of the sea and Marco Polo. Ben van Houte will be in charge of the unit of logistics, innovation and co-modality. The structure of DG TREN can be found on the website:

http://ec.europa.eu/dgs/energy_transport/matthias_ruete/organigram_en.html

DG FISH BECOMES DG MARE

On 27 March, the European Commission announced a far-reaching reorganisation of the Directorate-General in charge of Fisheries and Maritime Affairs, better

known as DG FISH. As of 29 March, the former "DG FISH" will become the Directorate-General for Maritime Affairs and Fisheries, DG MARE.

The main changes involve the setting up of three geographical Directorates that will be in charge of the Arctic, Atlantic and outermost regions; the Mediterranean and Black Sea and the North Sea, Baltic Sea and landlocked countries.

The three geographic Directorates will be responsible for managing both the Common Fisheries Policy and the new EU integrated maritime policy (IMP) in Europe's three main maritime regions. These will be complemented by a new Directorate in charge of co-ordination and policy developments.

These will be complemented by a horizontal Directorate ensuring coordination and policy development. An international Directorate will retain responsibility for external policy for both fisheries and maritime affairs and for market-related issues. The last of the six Directorates making up DG MARE will be in charge of legal issues, resources, communication and relations with other institutions and stakeholders. The other two directorates (External Policy, and Resources and Legal Affairs) remain largely unchanged.

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