

**Opinion of the European Economic and Social Committee on 'Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2015/757 in order to take appropriate account of the global data collection system for ship fuel oil consumption data'**

*(COM(2019) 38 final — 2019/0017(COD))*

(2019/C 240/10)

Rapporteur: **Constantine CATSAMBIS**

Referral	11.2.2019, European Parliament 13.2.2019, Council
Legal basis	Articles 192(1) and 304 of the Treaty on the Functioning of the European Union
Bureau decision	19.2.2019
Section responsible	Agriculture, Rural development and the Environment
Adopted in section	25.4.2019
Adopted at plenary	15.5.2019
Plenary session No	543
Outcome of vote (for/against/abstentions)	204/0/2

## 1. Conclusions and recommendations

1.1. This opinion refers to the proposal by the European Commission to amend Regulation (EU) 2015/757 on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport <sup>(1)</sup> (the 'EU MRV Regulation'). In this respect, reference is made to the 2013 opinion by rapporteur Stefan Back, NAT/616 for maritime transport emissions, concerning the proposed amendments for the 2015 MRV Regulation, which contains many important proposals, including Article 22 of the 2015 Regulation that was adopted by the Commission, according to which the Commission will, in the event of an international agreement on a global monitoring, reporting and verification system, review the EU MRV Regulation and, if appropriate, propose amendments in order to ensure alignment with that international agreement.

1.2. In fact, in 2016, the United Nations International Maritime Organization (IMO) Marine Environment Protection Committee (MEPC) adopted amendments to the MARPOL Convention establishing the legal framework for a global data collection system for fuel oil consumption of ships ('global UN IMO DCS'), according to which monitoring obligations began in January 2019.

1.3. The Commission stressed that a partial alignment of the two monitoring, reporting and verification systems could contribute to reducing the administrative burden for shipping companies and administrations, while preserving the key objectives of the EU MRV Regulation. To this effect, the Commission has proposed the limited alignment of the EU MRV Regulation to the global UN IMO DCS in relation to definitions, monitoring parameters, monitoring plans and templates.

1.4. The proposed changes to the EU MRV Regulation are as follows:

1.4.1. The reporting obligations in case of changes of company must take into account the parallel provisions of the global UN IMO DCS. This will ensure that the same legal entities monitor and report according to similarly calculated reporting periods.

1.4.2. The parameter 'cargo carried' is kept as a voluntary monitoring parameter for those companies willing to provide a calculation of their ships' average energy efficiency based on cargo carried.

1.4.3. The current parameter 'time at sea' is replaced by the global UN IMO DCS definition of 'hours underway'.

1.4.4. The calculation of 'distance travelled' should take as a basis the options retained under relevant UN IMO DCS guidelines.

<sup>(1)</sup> Regulation (EU) 2015/757 of the European Parliament and the Council of 29 April 2015 on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport and amending Directive 2009/16/EC (OJ L 123, 19.5.2015, p. 55).

1.4.5. The minimum content of monitoring plans should be streamlined so as to take into consideration the UN IMO 'Guidelines for the development of a Ship Energy Efficiency Management Plan (SEEMP)' except for those provisions which are necessary to ensure that only EU-related data are monitored and reported under the EU MRV Regulation.

1.4.6. Ships' CO<sub>2</sub> emissions within EU ports are also to be monitored and reported separately, so as to incentivise the use of available measures for reduction of CO<sub>2</sub> emissions within EU ports and to raise further awareness of shipping emissions.

1.4.7. Current EU MRV provisions on verification of data by accredited third parties are to be kept so as to preserve the EU objective of providing robust information that is comparable over time for further decision making at the EU or at the global level.

1.5. The remaining important issues with regard to achieving complete alignment with IMO DCS guidelines mainly concern verification authorities and modalities, monitoring items, and publication of sensitive commercial data. The aim of a complete alignment exercise of the EU MRV Regulation with the UN IMO DCS is to have global regulatory uniformity in order to minimise the additional burden that has a large impact, in particular on small and medium-sized shipping companies, and avoid any dual reporting requirements under two different systems.

## 2. General comments

2.1. In the 2013 opinion <sup>(2)</sup>, the EESC questioned the need for and the added value of the operational information and data that go beyond the scope of fuel consumption and emissions, which is to be monitored and reported under the EU MRV Regulation and, in particular, the need for information, as set out in Articles 9(d)-(g) concerning the monitoring of parameters on a per-voyage basis and Article 10(g)-(j) concerning the monitoring of parameters on an annual basis, as well as Annex II concerning the monitoring of other (relevant) information, as this information is commercially sensitive, and as questions may arise regarding the value of the availability of this information in an aggregated form.

2.2. In general, with the current proposed changes to the EU MRV Regulation, the Commission keeps its stance with regard to the publication of the collected data from individual ships. The proposed changes are technical adjustments representing technical corrections at the level of parameterisation. As such, they do not represent a complete alignment of the EU MRV Regulation with the UN IMO DCS, as requested by the UN IMO and the shipping industry in their public interventions, and important issues remain open. These mainly concern verification authorities and modalities, monitoring items, and publication of sensitive commercial data.

2.3. In its assessment for the proposed amendments, the Commission should take into consideration the fact that the global shipping industry is fully committed to reducing CO<sub>2</sub> emissions by at least 40 % by 2030, pursuing efforts towards 70 % by 2050, compared to 2008, and to reduce GHG emissions by at least 50 % by 2050, compared to 2008, in conformity with the Paris Agreement goals. The UN IMO adopted an Initial Strategy in April 2018, due to be revised in 2023, which provides the framework for the development and adoption of concrete short-term CO<sub>2</sub> reduction measures as well as candidate mid- to long-term measures for achieving appropriately reduced emissions within agreed timelines and implementation schedules, consistent with the UN IMO-agreed roadmap for decarbonisation from now until 2050.

2.4. Given the number and content of submitted proposals by Member States and industry for consideration at the forthcoming UN IMO deliberations, all stakeholders seem to be working hard to regulate energy efficiency of the world merchant fleet in a concrete timeframe with precise information and data provided by the UN IMO DCS regarding CO<sub>2</sub> emissions from ships.

2.5. The EESC considers that the proposed partial alignment will lead to burdensome and ineffective double monitoring and reporting requirements, since reporting obligations remain under two different systems: a regional (European) and a global (UN IMO) one. As a result, ships will have to fulfil monitoring and reporting requirements under both the EU MRV Regulation and the global UN IMO DCS. The EU and UN IMO reporting templates are different, which increases the workload, administrative burden and costs for ships' crews and maritime transport.

2.6. The complete alignment of the EU MRV Regulation with the UN IMO DCS would not only serve the purpose of creating an internationally unified reliable data base for ships' CO<sub>2</sub> emissions, but would also be in line with the better regulation agenda of the European Commission, which aims for targeted regulation in order to achieve its objectives and bring benefits to the European economy at minimum cost. It will also ensure an international level playing field for the European fleet. The aim of a complete alignment exercise of the EU MRV Regulation with the UN IMO DCS is to have global regulatory uniformity in order to minimise the additional burden that has a large impact, in particular on small and medium-sized shipping companies, and avoid any dual reporting requirements under two different systems.

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<sup>(2)</sup> EESC opinion on Maritime Transport Emissions (OJ C 67, 6.3.2014, p. 170).

2.7. The EU MRV Regulation requires the Commission to publish the data received along with company and individual ship identifiers, so that it can be used by third parties. The purpose of the UN IMO regime is simply to establish the total CO<sub>2</sub> emissions of the international shipping sector in order to facilitate further policy decisions and consideration of additional GHG reduction measures. However, the Commission wishes to publish detailed (and commercially sensitive) data about individual ships visiting EU/EEA ports, which may be misused. This could result in the unfair penalisation of ships, and could also distort competition and bring major competitive disadvantages for EU shipowners in the global shipping market and for ships calling at EU ports.

2.8. It would be desirable to use the existing UN IMO mechanisms of the Flag State Administrations for enforcement and implementation, under a single and functional global fuel consumption data collection system. Under the UN IMO system, the information from ships submitted to the UN IMO via the flag state is anonymous to third parties.

### 3. Specific comments

3.1. The following technical points regarding the proposal should be noted. Under Article 21(f), the annual average fuel consumption and CO<sub>2</sub> emissions per distance travelled and cargo carried on voyages still have to be made publicly available by the European Commission. This seems to be in conflict with the new amended provision of the proposal in Article 9(1)(f) (new) stating that any monitoring (on a per voyage basis) of cargo carried shall be voluntary, as the proposed change to the cargo carried is only a voluntary monitoring item and as such is not aligned with the UN IMO DCS. In addition, despite the fact that the definition of Dead Weight Tonnage (DWT) of the ship has been included in Article 3(p) and Article 11(3)(a)(xi) of the proposal, it seems this metric is not integrated consistently throughout all articles of the proposal, and might be interpreted as a lack of trust on the part of the Commission in the efficiency of the UN IMO DCS.

3.2. The modifications in Article 11(2) and Article 3(d) of the proposal on the change of company are welcome since they now introduce the liability of the former owner, which was much needed for cases where a change of company has taken place within a reporting period. The definitions of 'company' and 'reporting period' and also the attribution of monitoring and reporting obligations in case of 'changes of company' are now more aligned with the UN IMO DCS parallel provisions. Nonetheless, the newly introduced description seems not to be precise enough to regulate the relation between an 'old' and 'new' company. In order to have maximum legal clarity, the new owner could be legally liable from the day when the completion of the change takes effect. The proposed Article 11(2) (new) could be amended as follows:

'2. Where there is a change of company, the previous company shall submit to the Commission and to the authorities of the flag state concerned, as close as practical to the day of the completion of the change and no later than three months thereafter, a report covering the same elements as the emissions report but limited to the period corresponding to the activities carried out under its responsibility. The new company shall ensure that each ship complies with the requirements of this Regulation from the day of the completion of the change.'

Brussels, 15 May 2019.

*The President  
of the European Economic and Social Committee  
Luca JAHIER*