

COUNCIL OF THE EUROPEAN UNION



Brussels, 23 May 2012 10034/12 PRESSE 208

Council and the European Parliament reach a provisional agreement on the sulphur content of marine fuels

The Committee of Permanent Representatives endorsed today the compromise proposal agreed between the Council and the European Parliament regarding the directive amending directive 1999/32/EC as regards the sulphur content of marine fuels

Emissions from shipping due to the combustion of marine fuels with a high sulphur content contribute to air pollution in the form of sulphur dioxide and particulate matter, which harm human health and contribute to acidification. The directive aims therefore to reduce these emissions considerably and to provide a high level of protection for human health and the environment by rendering the most recent International Maritime Organisation (IMO) rules on marine fuel standards mandatory in the EU, thereby amending Directive 1999/32/EC.

The text as it stands now was negotiated in informal "trilogue" meetings between the Council - represented by the Danish presidency - the European Parliament and the European Commission.

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The key elements of the agreement are:

- In line with the Annex VI of the MARPOL Convention, the **limits for the sulphur content** of marine fuels used in designated SO2 Emission Control Areas
 (SECAs)¹ will be 1% until 31 December 2014 and 0.1% as from 1 January 2015.
 The <u>IMO standard of 0,5 %</u> for sulphur limits <u>outside SECAs</u> will be <u>mandatory</u>
 in <u>EU waters by 2020</u>. This will <u>also be valid for passenger ships operating</u>
 outside SECAs to which the current regime of 1,5 % applies until that date. A
 general cap does not allow the use of marine fuels with a sulphur content of more
 than 3,5 % by mass within member states territory, with the exception of fuels
 used by vessels with alternative exhaust gas cleaning systems, the so-called
 scrubbers, operating in closed mode. According to the compromise, member states
 should endeavour to ensure the availability of the required marine fuels.
- Aid for investment costs. Since the costs of new requirements to reduce sulphur emissions could have negative effects on the competitiveness of the industry and could produce a modal shift from sea to land, member states may provide support to operators in accordance with the applicable state aid rules if such aid measures are deemed to be compatible with the treaty. Furthermore, the Commission should make full use of financial instruments that are already in place and promote the development and testing of alternative technologies to reduce emissions from ships.
- As part of the effective, proportionate and dissuasive **penalties** to be set by member states in implementing the directive, possible <u>fines should at least be</u> <u>equivalent of the benefits</u> deriving from the infringements to the provisions of the directive.
- In relation to **reporting and review**, the Commission should, based on the implementation of the directive, draw up a report by December 2013 and consider in this context the potential for reducing air pollution by ships. In the review of the Commission's air quality policy scheduled for 2013, the Commission will consider all possibilities how to reduce air pollution, including in the territorial seas of member states.

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¹ In the EU SECAs cover the Baltic and North Seas and the English Channel

The Commission submitted its proposal on July 2011 (<u>12806/11</u>). The European Economic and Social Committee adopted its opinion on January 2012¹. The Committee on Environment, Public Health and Food Safety (ENVI) of the European Parliament adopted on February 2010² a draft position at first reading, suggesting 56 amendments to the Commission proposal.

After the European Parliament adopts its position on first reading, the directive will be officially adopted by the Council. Member states will have 18 months after the entry into force of the directive to adopt the necessary national provisions.

¹ OJ C 68, 6.3.2012

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² A7-0038/2012