

Prevention of pollution from ships: sulphur content of marine fuels

2011/0190(COD) - 15/07/2011 - Legislative proposal

PURPOSE: to amend Directive 1999/32/EC as regards the sulphur content of marine fuels with a view to reducing air pollution and improve human health and the environment.

PROPOSED ACT: Directive of the European Parliament and of the Council.

BACKGROUND: the EU actions over the past decades have resulted in a considerable reduction of emissions of most air pollutants, including sulphur dioxide (SO₂), nitrogen oxides (NO_x), volatile organic compounds, ammonia and particulate matter (PM). The greatest share of these reductions has been achieved by land-based emission sources such as industrial plants or road transport. Evidence shows that further reduction of such pollutants will deliver significant benefits to the health of EU citizens, the environment, and the economy at large. Projections made in 2005 showed that **without further regulatory action the continued growth in emissions of SO₂ and NO_x from the maritime sector will surpass total emissions of these pollutants from all land-based sources by 2020.**

Directive 1999/32/EC as amended regulates the sulphur content of fuels used by maritime transport and incorporates certain rules, agreed under the International Maritime Organisation (IMO), into EU law. In particular, the Directive incorporates more stringent rules on sulphur content of marine fuels to be used in areas in need of special environmental protection, the Sulphur Emission Control Areas (SECAs).

Since the amendment of the Directive in 2005, and with strong EU support, **IMO rules, among others in relation to SO₂, were revised in October 2008.** These rules are contained in Annex VI of the Marine Pollution Convention 73/78 (Revised MARPOL Annex VI).

The revised Annex VI to MARPOL entered into force on 1 July 2010. It introduces, *inter alia*, **stricter sulphur limits for marine fuel in SECAs** (1.00% as of 1 July 2010 and 0.10% as of 1 January 2015) as well as in sea areas outside SECAs (3.5% as of 1 January 2012 and, in principle, 0.50% as of 1 January 2020).

Most Member States are obliged to require ships to use fuel with maximum 1.00% sulphur content in SECAs as of 1 July 2010 based on their international commitments. In order to ensure coherence with international law as well as to secure proper enforcement of new globally established sulphur standards in the Union, **the provisions of Directive 1999/32/EC should be aligned with the revised Annex VI to MARPOL.**

IMPACT ASSESSMENT: in its analysis, the Commission:

- confirms the cost-effectiveness of the full alignment of the Directive with the IMO stricter fuel standards and the rules on emission abatement methods;
- recommends maintaining the link between the stricter fuel standards in SECAs and those applying for passenger ships on a regular service outside SECAs. However, the introduction of a new SECA standard for passenger ships would be delayed by 5 years in order to avoid potential problems with fuel availability. The benefit to cost ratios for this option range from 1.5 to 6 (if the 0.1% standard is introduced in 2020) and from 0.8 to 10 (if the 0.1% standard is introduced in 2025);
- suggests to first develop guidance on monitoring and implementation of the Directive and, should this approach fail, to consider adopting binding rules;
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recommends that the European Commission and Member States use and, where possible and necessary, adapt existing instruments, to assist industry in the transition towards the new best available technology standards.

LEGAL BASIS: Article 192(1) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: this proposal is consistent with the EU 2020 Strategy and its associated flagship initiatives, notably those relating to the [low carbon society roadmaps](#) and [innovation Union](#), as well as existing EU policies for sustainable transport.

The purpose of this proposal is to revise Directive 99/32/EC on the sulphur content of certain liquid fuels with the aim to:

- (1) align the Directive with the IMO rules on fuel standards, including the standards applicable outside SECAS;
- (2) align the Directive with the IMO rules on the emission abatement methods;
- (3) maintain the link between the stricter fuel standards in SECAS (now requiring maximum sulphur content of marine fuel of 1.5% and from 2015 - 0.1%) and those applying for passenger ships on a regular service outside SECAS (at the moment 1.5%);
- (4) strengthen EU monitoring and enforcement regime.

According to the Commission, the main advantages of the proposed Regulation are as follows:

- **incorporating the international fuel standards into EU law** would strengthen the effectiveness of these standards as they would be monitored and enforced under the EU regime, which is more effective than the international enforcement system;
- **extended access to and promoting the use of innovative emission abatement methods** as an equivalent compliance option addresses concerns about the cost implications resulting from the new IMO rules for certain industries. This would significantly lower the IMO compliance costs (by 50% to 88%) and promote innovative industry solutions, in line with the priorities of the Europe 2020 Strategy and Article 3 of the Treaty on European Union (TEU);
- **stricter fuel standards for passenger ships on a regular service**, which operate mostly in ports or close to shore, would ensure improvement of air quality in coastal areas. The introduction of the stricter fuel standard for passenger ships would be delayed by 5 years in comparison with SECAS in order to avoid potential problems with fuel availability;
- lastly, **strengthening EU monitoring and enforcement regime** is particularly important considering that the significantly stricter fuel standards and the associated compliance costs may increase the incentives for circumvention.

BUDGETARY IMPLICATION: this proposal has no budgetary implication for the Union budget.