

# Reduction in the sulphur content of certain liquid fuels. Codification

2014/0216(COD) - 16/04/2018 - Follow-up document

The Commission presented a report on the implementation and compliance with the sulphur standards for marine fuels set out in Directive 2016/802/EU relating to a reduction in the sulphur content of certain liquid fuels.

To preserve clarity and rationality following the different substantial amendments of Council Directive 1999/32/EC, it was codified as Directive (EU) 2016/802 relating to a reduction in the sulphur content of certain liquid fuels (the Sulphur Directive).

In accordance with Directive (EU) 2016/802, the Commission evaluated, on the basis of the implementation reports received for the period 2015-2017, the need to strengthen the provisions of the Directive or any appropriate legislative proposal to this effect.

**Implementation of the Directive:** following successful collaboration with Member States and industry, the Commission concludes that **steady progress** has been made in implementing Directive 1999/32/EC since its last revision in 2012 (now in codified form as Directive (EU) 2016/802).

So far the mandatory use of marine fuels with a sulphur content of 0.10% in the European SOx-ECAs as from January 2015 has proven to effectively contribute to achieving the Directive's purpose of reducing harmful effects of sulphur dioxide emissions from ships on humans and the environment. Over 93% of the inspected ships in the SOx-ECAs respected the stricter sulphur concentrations which lead to a significant reduction of sulphur dioxides concentrations in ambient air in regions bordering the SOx-ECAs (e.g. up to 60% in Denmark, to 50% reduction at the German North Sea island 'Neuwerk' and the Swedish islands of Öland (Ottenby) and Gotland (Hoburgen), and over 20% reduction in the Rotterdam-Rijnmond region).

Industry's and Member States' experience with preparing for the change to the 0,10% sulphur content in marine fuels on 1 January 2015 in the European SOx-ECAs and compliance checking has provided valuable lessons which **can be replicated in other European regions and internationally** in view of the entry-into-force of the 0.50% global sulphur cap in 2020.

**Support mechanisms:** the report provides an overview of EU support mechanisms to Member States and industry to facilitate enforcement and compliance with the stricter sulphur standards, namely:

- the European Sustainable Shipping Forum to better identify the environmental sustainability challenges facing the EU maritime transport sector;
- EU financial support for the adoption of clean ship technologies;
- technical support to Member States from the European Maritime Safety Agency to facilitate the implementation and enforcement of low sulphur requirements;
- the establishment of the Member State Committee for the Implementation of the Sulphur Directive to ensure its consistent and effective application.

Several studies have concluded that the entry into force of low sulphur requirements in European SOx Emission Control Areas has not resulted in a loss of traffic or a significant shift to road transport.

No company or marine service closures or reductions in cargo traffic in northern European ports directly attributable to requirements applicable in SOx Emission Control Areas have been identified, and no serious cases of unavailability of compliant fuels have been reported.

Several subsequent studies concluded that the introduction of the low sulphur requirements in the European SOx-ECAs did not result in any **loss of traffic or significant shifts towards road transport**. No company or maritime service shutdowns, nor any decrease in cargo turnover in Northern European ports that can be directly linked to the SOx-ECA requirements were found, and no severe cases of unavailability of compliant fuels were reported.

**Level of compliance:** THETIS-EU became fully operational on 1 January 2015. It is an EU information system for recording and exchanging details and findings of shipboard inspections, including fuel sampling and analysis.

Between 1 January 2015 and 31 December 2017, over 28 000 specific inspections (around 700 to 900 on average per month) have been recorded in THETIS-EU. In the same period, around 1 350 non-compliances have been recorded (around 5% of the total number of inspections).

The **good rate of compliance** demonstrates the industry's efforts to contribute to reducing air pollution from maritime transport

**Outlook:** in order to ensure that enforcement performance and compliance with the 0.50% limit set by Directive (EU) 2016/802 will remain at a level similar to that currently found in SOx Emission Control Areas, the Commission will assess the need to:

- revise the **inspection and sampling frequency**;
- enhance THETIS-EU to cater for the notification of trials and use of modern compliance checking technology (e.g. from sniffers and drones);
- increase control of marine fuel suppliers which will facilitate a more advanced risk-based targeting of possible non-compliant vessels.

To accommodate these possible changes, the Commission will consider, *inter alia*, amending the Commission Implementing Decision (EU) 2015/253 and **making the use of THETIS-EU mandatory**. It will also look into the penalties Member States have imposed on non-compliant operators and assess whether those have a truly dissuasive effect. Furthermore, together with the Member States, and with the support of EMSA, the Commission will: (i) continue to actively support the EU's neighbouring countries with reducing SOx emissions from ships and the preparations by the IMO for the entry-into-effect of the global sulphur cap; (ii) continue to consider the potential, including the costs and benefits, for reducing air pollution from ships also covering emissions other than SOx.