

Comments of the

World Shipping Council

Submitted to the European Commission

Response to call for feedback on

EU Emissions Trading System – rules for the administration of shipping companies by administering authorities under the EU Emissions Trading System (ETS)

27 September 2023

The World Shipping Council (WSC) is a non-profit trade association that represents the liner shipping industry, which is comprised of operators of containerships and transoceanic vehicle carriers. Together, WSC's members operate approximately 90% of the world's liner vessel services including more than 5,000 ocean-going vessels of which more than 2,000 vessels make more than 16,000 calls at EU ports each quarter (EuroStat and EU MRV data). The World Shipping Council (WSC) and its Member companies are pursuing ambitious global climate goals and supporting policy actions as part of our work to shape the future growth of a sustainable, safe, and secure shipping industry.¹

WSC offers the following observations in support of the implementing act as drafted that provides rules for the application of Directive 2003/87/EC regarding the administration of shipping companies by administering authorities.

The proposed implementing regulation establishes reporting requirements for the responsible party that provide clarity for EU ETS compliance and enforcement responsibility, that allow flexibility for industry in assigning the responsibility for EU ETS accounting requirements, and that ensure consistency for Member States with potentially reduced administrative burden.

The implementing act language aligns with Regulation (EC) 336/2006, which obligates the shipowner and the organisation or person that has assumed responsibility for EU ETS obligations to explicitly declare what their respective and/or delegated responsibilities are for EU MRV compliance and for EU ETS allowance surrendering. Whenever EU regulations require new competencies for compliance, delegation of responsibility by the shipowner needs to be clear and explicit. Also, aligning with Article 3.2 of Regulation (EC) 336/2006, the shipowner defines and documents these responsibilities, authorities and interrelations.

The implementing act makes explicit the necessary steps to ensure that the owner of a ship provides the information necessary to enable the Authority to contact the party contracted, or otherwise entrusted by the owner, to discharge responsibilities for that ship in regard to matters of maritime safety and the protection of the marine environment.

Article 1, paragraph 1, requires that Member States ensure the organisation or person has been duly mandated by the shipowner to comply with the ETS obligations. Article 1, paragraph 2, requires the organization or person who is responsible for EU ETS obligations to affirmatively notify the Member State authority with a document clearly indicating that it has been duly mandated by the shipowner to comply with the ETS obligations. In Article 1, paragraph 3, the Commission could specify a common language for reporting information across Member States. Article 1, paragraph 4, makes clear for the Member State who is responsible if these requirements are unmet for a ship under their administration authority.

Should any of the above comments merit further discussion, please contact Jim Corbett, Environmental Director for Europe, World Shipping Council, at <u>icorbett@worldshipping.org</u>.

¹ A full description of the Council and a list of its members are available at <u>www.worldshipping.org</u>.