

Comments of the World Shipping Council

Submitted to the **European Commission**

Response to call for feedback on review and proposed revision of Port State Control Directive (2009/16/EC)

21 August 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 supports the Maritime Safety Package, and we focus our comments here on the PSC Directive. WSC recognises that Port State Control (PSC) is an important aspect of ensuring maritime safety. We also support the review and potential updating of the Ship Risk Profile (SRP) Calculator as currently implemented in The Hybrid European Targeting and Inspection System (THETIS) managed by EMSA. Our main requirement is that new parameters in a Ship Risk Profile (SRP) provide PSC Officers with improved tools for prioritizing inspections to reduce safety and environmental incidents, to protect seafarers and communities, and to improve environmental performance.

- WSC supports expanding predictive risk parameters related to the EU Green Deal, with
 environmental parameters that demonstrate actual decision support for the PSC Officer
 assessment of inspection priority i.e., where evidence confirms that the environmental
 parameters are correlated with risk. This can extend to the EU Green Deal efforts to help
 PSC inspections ensure that the conversion to future fuels and technologies is safe and
 protective of the environment.
- We note with support that using actual deficiencies in meeting environmental requirements is an effective risk-based parameter. We understand how the SRP can improve the PSC Officer's inspection rankings when a ship has deficiencies related to MARPOL, Antifouling systems, Ballast water management, Oil pollution liability certifications, and Salvage liability certifications. These parameters provide risk-based information that the PSC Officer needs for better inspection decisions.
- We also support the application of digitilisation and other technology instruments to reduce costs and improve the risk assessment insights that PSC Officers need when prioritizing and preparing for ship inspections.

The current proposal adds one parameter, the IMO CII score, that is neither predictive of environmental risk nor related to the EU Green Deal. The CII score is the wrong environmental parameter for the SRP for three reasons.

• First, the CII is not aligned with standards, goals, and legislation in the Fit-for-55 package.

The IMO Carbon Intensity Indicator (CII) is by definition and design not a predictive metric of environmental risk or vessel safety risk. While Recital (11) of the PSC Directive suggests the

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

Commission's interest in connecting the SRP to the Fit-for-55 package aims to reduce the EU's GHG emissions in maritime transport, CII is not linked to the EU Green Deal. FuelEU Maritime regulates the heart of the matter for the Fit-for-55 package. FuelEU directly measures GHG intensity and compliance elements within FuelEU could offer environmental parameters aligned with the Commission goals.

- Second, there is no evidence that a low CII score relates to increased risk of environmental pollution or an incident. Ships using conventional fossil fuels safely and in full compliance with environmental requirements can report low CII scores. In an SRP context, the CII only muddles the risk-based decision assessment for PSC Officers. The CII only provides a relative indicator of emission intensity compared with a moving fleetwide benchmark. Moreover, when a vessel receives a D-Rating for up to three reporting years or receives an E-Rating in one reporting year, this does not mean non-compliance. Rather, low CII scores require a Corrective Actions Plan to receive DCS Statement of Compliance from IMO. This means that the CII score does not indicate any CII action plans for improvement that may be implemented over years. In other words, a CII score cannot inform risk priority decisions by the PSC Officer.
- Third, the CII is not accurately assigning an environmental risk score to a given ship; in many cases, the indicator reflects the route a given ship is serving and not the inherent emission profile of the ship. CII is highly impacted by at least two major variables that are usually unique to a given trade route, namely, port waiting times, and the prevailing weather conditions and sea state on a given route. These are among the reasons that IMO is pursuing a global fuel standard and conducting a review the efficacy of the CII design with completion date 1 January 2026 (per MEPC 80/WP.12, para 4.3).

New risk parameters must improve PSC Officer inspections to ensure that the conversion to future fuels and technologies related to the EU Green Deal is safe and protective of the environment. We know that there will be changes in potential risk when shipping transitions to advanced fuels and technologies that can achieve lifecycle reductions in GHG intensity. For example, ammonia and hydrogen come with well recognized concerns about ship risk. EMSA has full competency to evaluate EU Green Deal risks important for PSC Officer inspections. The PSC Directive needs to use the right risk indicators; IMO CII is the wrong indicator for environmental risk. The Directive should directly meet its goal to connect the SRP with the Fitfor-55 package, rather than insert the CII which remains under criticism and review by European nations and the European Commission at IMO.

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