



**COUNCIL OF
THE EUROPEAN UNION**

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INFORMATION NOTE

From: French delegation
To: Council
Subject: Implementation in 2015 of the new requirements on sulphur content of marine fuels
- Information from the French delegation

Delegations will find annexed an information note from the French delegation on the above mentioned subject, which is suggested to be dealt with under "Any Other Business" at the meeting of the Council (**Transport, Telecommunications** and Energy) on 20 December 2012.

Implementation in 2015 of the new requirements on sulphur content of marine fuels

Regulation 14 of Annex VI to the Marpol Convention as amended provides that the sulphur content of fuel oil used on board ships operated in Emission Control Areas (SECAs) will drop from 1% to 0.1% m/m from 1 January 2015. This new rule has been implemented in EU legislation through Directive 2012/33/EU.

France supports the principles and the objectives established by these regulations in order to improve human health and environment and to achieve a greener shipping sector.

In order to comply with the new regulations, it will be necessary to switch from the current HFO (Heavy Fuel Oil) to MDO (Marine Diesel Oil). There are currently great uncertainties regarding the acceptability of the price at which the new low sulphur fuel will be available.

There are alternatives to using ultra-low sulphur fuels. The first one is the use of natural gas. It is certain that very few ships will be gas fuelled on 1 January 2015. Few ports have the installations required for bunkering natural gas under acceptable safety conditions. There are on-going projects, but the majority will not be operational in 2015.

Exhaust gas cleaning systems are a second alternative. Their impact on the stability criteria, the deadweight tonnage and the freeboard, the electricity balance and the compatibility with NOx emission reduction systems raise a huge amount of technical and safety issues.

Considering the time required to build new ships and/or to transform existing ones, few ships will be able to integrate one of these technical solutions by 1 January 2015.

In this context, complying with the 0,1% requirement in time is a great challenge, especially for vessels operating exclusively in the SECA. Deep-sea shipping will be able to pass through the costs at no risk for them since there are few, if any, competitive alternative transportation means. On the other hand, for shipping lines operated in SECA by passenger carrying roll-on/roll-off ships competing directly with road transport, increase in the costs would result to report to modal shift, in the lengthening of the distances covered over and in increasing air polluting and noise emissions as well as traffic congestion, and possibly accidents. Furthermore, the worsening in their economic situation could result to total shift to road.

France is very concerned by the negative implications of the situation of these passenger carrying roll-on/roll-off ships. It could jeopardize the application of the whole regulation, deep-sea shipping arguing that since others do not (cannot) apply this regulation they will not either.

Different organizations – ship-owners as well as shippers – share these concerns. This is why it seems necessary to rapidly address this issue within the Council in close cooperation with the European Commission in order to examine the possible ways to allow a feasible implementation of the new sulphur requirements while preventing to jeopardize some branches of the shipping sector with modal backshift as consequence.

A discussion has to be primarily conducted at EU level in view to take action within IMO considering that this matter is ruled by an international convention.

In this respect, France wishes to share its concerns during the Transport Council on 20 December 2012 inviting Member States and European Commission to work together on a possible way out.