



EU ETS: Views of ESPO, FEPOR and ETA





1. Prevent evasion by ships from the EU ETS that would create carbon and business leakage

Cargo diversion via evasive port calls can happen in two ways:

1. Ships add an additional call to a non-EU port to their schedule in order to avoid the obligation to buy allowances.
2. Cargo is dropped off in a non-EU transshipment port and then distributed via smaller (feeder) vessels to EU ports.

ESPO and FEPORT strongly support the measures adopted by European Parliament making it less attractive for ships to change their routes, divert calls, or engage in other evasive behaviours.

The definition of “non-EU transshipment port” is welcome (AM 492).

Support the inclusion of non-EU neighbouring ports within a radius of 300 nautical miles in the ETS (AM 505).

However, to avoid negatively affecting EU trading routes and short-sea shipping, this should only apply to neighbouring **container** transshipment ports.

-> Align with the Council general approach on ETS (Article 1 (wa)) “neighbouring container transshipment port” – also found in FuelEU Maritime (FuelEU TRAN compromise 2 - Article 2(2a)).



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ESPO and FEPORT support Parliament's proposal to create an Ocean Fund which shall allow for investments in **refueling and recharging infrastructure in ports** (AM 441), as well as connections to electrical grid in ports.

ESPO and FEPORT call for a sufficient share/amount of allowances to be allocated to Ocean Fund and/or Innovation Fund to deliver greening of maritime (AM 501).

When bridging the price gap between conventional and alternative fuels (AM 501), the costs associated with the installation of new infrastructure in ports should also be considered.

Additional earmarking for maritime could be foreseen through the Innovation Fund in keeping with the approach taken for aviation in ongoing trilogues.

- To this end, ESPO and FEPORT support the Council general approach wording in 12g) Amending Article 10a of the ETS Directive:

Paragraph 8: The Commission shall give special attention to projects contributing to directly or indirectly decarbonize the maritime sector and may launch calls for proposals to that end as appropriate.

FEPORT additionally supports investments in superstructures in ports.



2. Earmark the revenues generated by a maritime EU ETS for investments in maritime and ports, especially in port infrastructure

Non-EU cargo diversion and evasive port calls via feeder traffic remains a risk.

ESPO and FEPORT therefore recommend that a strong monitoring mechanism is set up

The Commission shall continuously monitor and report on any cargo diversion or evasive port calls from day one.

If any evasive behaviour is found, the Commission shall propose measures to address this.

Align with:

Amendment 8 of the TRAN report on FuelEU Maritime which requires the Commission to start its monitoring immediately as opposed to Parliament's position on EU ETS, which asks for biennial reporting (amendment 430 +504).

Council general approach on EU ETS: Article 3ge(2).

FEPORT recommends following the timelines and geographical scope proposed by the Commission and the Council for the inclusion of shipping emissions in order allow detecting evasive practices at an early and thus be able to take measures to address this if necessary.



3. Reducing the gross tonnage from 5000 to 4002.

ESPO, FEPORT and ETA do **NOT** support the reduction from 5000GT to 400GT as proposed by the Parliament.

The categories of vessels within the 400GT and 5000GT gap is very varied and their scope is also very varied. It is therefore very difficult to ensure that categories, and subsequently ports, are not adversely affected without a proper Impact Assessment.

One specific category are harbour Tugs. Tugs do not carry goods or passengers, their overall mission is the **safety of port assets** and **the safety of ships**. They also ensure that **environmental disasters do not occur in ports**. Furthermore, ultimately they ensure **safety of lives**.

Whereas there are alternative clean fuels and technology available in the market, none of these can offer a blanket assurance that safety will be guaranteed in every type of port within every weather conditions.

In this respect, penalizing these vessels for not using alternative fuel since the technology that exists is not conducive for the mission of safety, would be sending the wrong message whereby the highest standard of safety comes at an additional premium to the operator.

For this reason ESPO, FEPORT and ETA strongly urge that 5000GT remains the threshold for ETS.