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DRAFT STATEMENT OF THE COUNCIL'S REASONS

Subject: Position of the Council at first reading with a view to the adoption of a Regulation of the European Parliament and of the Council on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport and amending Regulation (EU) No 525/2013

- Draft statement of the Council's reasons

I. INTRODUCTION

1. On 1 July 2013, the Commission submitted the above-mentioned proposal¹ and its related Impact Assessment to the Council and the European Parliament.
2. The Economic and Social Committee adopted its opinion on 16 October 2013.²

The European Parliament adopted its opinion at first reading on 16 April 2014³, adopting 85 amendments.

3. The Council and the European Parliament conducted informal negotiations with a view to concluding an agreement at the stage of the Council's position at first reading ("early second reading agreement"). These negotiations were concluded on 18 November 2014 with a provisional agreement.
4. On 3 December 2014, the European Parliament's Committee on the Environment, Public Health and Food Safety (ENVI) approved the outcome of the informal trilogue negotiations. On that same day, the Chair of the ENVI Committee informed, by means of a letter, the Chair of Coreper I that, should the Council transmit formally to the European Parliament its position as agreed, subject to legal-linguistic verification, he would, together with the Rapporteur, recommend to the Plenary that the Council's position be accepted without amendments at Parliament's second reading.
5. On that basis, the Council on 17 December 2014 confirmed its political agreement regarding the text of this Regulation⁴ as it had been agreed by the two Institutions.

¹ 11851/13.

² CESE 5340/2013.

³ 8671/14.

⁴ 16238/14.

II. OBJECTIVE

The main objective of the proposed Regulation is to establish a system for the monitoring, reporting and verification (MRV) of CO₂ emissions from maritime transport, as a first step towards a global MRV system.

III. ANALYSIS OF THE COUNCIL'S POSITION AT FIRST READING

A. General

Following the vote in plenary, the European Parliament and the Council conducted negotiations with the aim of concluding a second-reading agreement on the basis of a Council first-reading position that the Parliament could approve as such. The text of the Council's first-reading position fully reflects the compromise reached between the co-legislators.

B. Main issues

The amendments brought to the Commission proposal generally reflect the need to find the right balance in establishing a monitoring reporting and verification (MRV) system which would remain flexible, while ensuring a minimum level-playing field and minimising administrative burden.

More specifically, the main issues which required modifications compared to the original Commission proposal were:

- (a) the list of definitions, which was expanded, with new definitions added and others being further specified;
- (b) the content of, and procedure for, the modifications to the monitoring plan;

- (c) the types of monitoring of CO₂ emissions, where a particular exemption was introduced to monitoring on a per-voyage basis; the possibility to monitor and report on a voluntary basis, both yearly and per-voyage, additional information items, such as those relating to the ice-class of the ship and to navigation through ice, was also included;
- (d) the organisation of verification activities, with a view to clarifying the sequencing of actions and simplifying the procedure;
- (e) the structure and content of compliance and the mechanism for penalties, together with the possible links to Directive 2009/16/EC on port-state control;
- (f) the deletion of the link to Regulation (EU) No 525/2013 on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change;
- (g) the information that is to be made available by the Commission, the recognition of a (limited) exemption from that publicity, as well as the different types of reports that the Commission is to establish under the Regulation;
- (h) the scope of Annex II, where a possible differentiation between different types of ships and the further specification of applicable parameters for the calculation of cargo carried by implementing act was introduced; and,
- (i) the scope of the delegated acts foreseen in the Regulation.

IV. CONCLUSION

The Council's position fully reflects the compromise reached in the informal negotiations between the Council and the European Parliament, with the support of the Commission.

This compromise was confirmed by a letter from the Chair of the European Parliament ENVI Committee addressed to the Presidency and dated 3 December 2014. It was subsequently endorsed by the Council (ENV) on 17 December 2014 through the adoption of the political agreement.
