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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 Directive 2009/16/EC

- Statement of the Council's reasons

- Adopted by the Council on 5 March 2015

17086/1/14 REV 1 ADD 1 psc 1
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I. <u>INTRODUCTION</u>

- 1. On 1 July 2013, the <u>Commission</u> 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 <u>Chair of the ENVI Committee</u> informed, by means of a letter, the <u>Chair of Coreper I</u> 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.

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^{11851/13.}

² CESE 5340/2013.

^{8671/14.}

^{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**

General A.

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.

В. 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;

3

- (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.

17086/1/14 REV 1 ADD 1 psc

IV. CONCLUSION

The <u>Council's</u> 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.
