

Including maritime transport emissions in the EU's greenhouse gas reduction commitment

General Information	
<p>Are you answering as an individual or on behalf of an organisation or institution? -single choice reply-(optional)</p>	<p>I am answering on behalf of an organisation or institution (company, NGO, public authority, ...)</p>
<p>Please select the option which is the best description of your organisation (1 choice only). -single choice reply-(optional)</p>	<p>company / professional association</p>
<p>Please enter the name of your organisation. Please briefly describe which stakeholders (or members) you represent. -open reply-(optional)</p>	
<p>Swedish Forest Industries Federation</p>	
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<p>Please enter an email address for contact purposes (to be used in case of clarification questions only): -open reply-(optional)</p>	<p>transport@forestindustries.se</p>
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General context	
<p>Do you consider that the maritime sector should contribute to European emission reduction efforts as other sectors? -single choice reply-(optional)</p>	<p>Yes</p>

Please substantiate your answer.

-open reply-(optional)

The maritime sector is clearly committed to delivering significant global emission reductions. Following the agreement in IMO in July 2011 on technical/operational measures, reductions up to 50 percent are expected by 2050. This global agreement in the IMO demonstrates that this UN body is able to deliver further measures on climate change, including on market - based measures (MBMs). The contribution of shipping must not be regional e.g. by contributing to the European emission reduction plan, it must be a global scheme through the IMO.

Do you consider that revenues should primarily be used to support investments to reduce emissions in the maritime sector?

Yes

-single choice reply-(optional)

Do you consider that revenues should primarily be used for international climate change finance? -single choice reply-(optional)

No

Do you consider that revenues should be use for other purposes? -single choice reply-(optional)

No

Please substantiate your answer.

-open reply-(optional)

The introduction of an MBM scheme should primarily be considered as a supportive instrument to mitigate emissions from international shipping. The question of financing international climate change should be solved by conciliating both IMO and UNFCCC principles.

Definition of the scope

Routes covered

Do you think that **routes related to search and rescue, fire fighting or humanitarian operations authorised by the appropriate competent authority** should be excluded from the scope ?

No

-single choice reply-(optional)

Do you think that **routes performed exclusively for the purpose of scientific research or for the purpose of checking, testing or certifying vessels or equipment** should be excluded from the scope ?

No

-single choice reply-(optional)

Do you think that **routes performed in the framework of public service obligations in accordance Council Regulation (EEC) N° 3577/92 of 7 December 1992 applying the principle of freedom to provide services to**

No

<p>maritime transport within Member States (maritime cabotage) should be excluded from the scope ?</p> <p>-single choice reply-(optional)</p>	
<p>Do you think that routes performed from or to a Least Developed Country as defined by the United Nations should be excluded from the scope ?</p> <p>-single choice reply-(optional)</p>	No
<p>Do you consider that any other routes should be considered for exclusion ?</p> <p>-single choice reply-(optional)</p>	No
<p>Please substantiate your answer.</p> <p>-open reply-(optional)</p>	
<p>A global regime through the IMO is the only way forward. In principle, no ships should be excluded.</p>	
<p>Do you have any other remarks on the routes covered? -single choice reply-(optional)</p>	Yes
<p>Please substantiate your answer.</p> <p>-open reply-(optional)</p>	
<p>See question on avoidance.</p>	
<h2>Type of ships covered</h2> <hr/>	
<p>Do you see reasons for excluding any particular ship category?</p> <p>-single choice reply-(optional)</p>	No
<p>Are there other categories than those mentioned above which should be included ?</p> <p>-single choice reply-(optional)</p>	No
<h2>Reliance on shipping</h2>	
<p>Do you consider that the reliance on shipping at a local or regional level should be taken into account?</p> <p>-single choice reply-(optional)</p>	Yes
<p>If yes, how should this be taken into account?</p> <p>-open reply-(optional)</p>	
<p>Around 70 percent of our export of forest products are transported by sea and shipping is in many cases the most environmentally friendly way of transporting. Large cost increases could lead to unwanted modal back-shift. It could also be argued that a level playing field within Europe and between paper industries is hampered.</p>	
<h2>Evasion / avoidance</h2>	
<p>Please provide us specific examples, analysis, data, etc. on this potential issue. Please note that any additional study,</p>	

example, analysis, etc. can be uploaded or sent to clima-eccp-ships@ec.europa.eu -open reply-(optional)

Clearly evasion will always be the case whatever is being done to curb it. The background document on 'avoiding avoidance' presented by the Commission DG CLIMA for the second ECCP WG SHIPS meeting clearly demonstrates why a regional solution is not appropriate because any EU regulation imposed on shipping will lead to evasion practices. Due to the possible amount of re-schedulings, the risk of increasing emissions should also be considered. From our industry you can easily see carbon leakage when pulp production moves from Europe to Brazil for the Chinese market. It must be a global system agreed upon in the IMO.

Compensation fund

Who should manage a compensation fund? Please substantiate your answer.

-open reply-(optional)

A compensation fund would preferably be managed by the IMO or, if that is not possible, by the shipping industry together with shippers. The establishment of an Global Administrative Body to undertake this function should be investigated. In any case, the levies must be earmarked and go directly into the fund. The fund should mainly be used for CO2 reduction measures in the shipping industry. Ships would be required to report bunker purchases - and bunker suppliers their sales- using bunker delivery notes (BDN), to this appropriate body, so that total emissions can be assessed. The fuel purchaser (the management company) should be the entity for compliance.

Do you think that several compensation funds could be feasible? No

-single choice reply-(optional)

Please substantiate your answer.

-open reply-(optional)

Multiple taxation systems must be avoided by all means.

Option 1 : Contribution-based approach

Do you consider that contributions to a compensation fund should, in the initial years of a system, be limited? Yes

If you consider that contributions to a compensation fund should, in the initial years of a system, be limited, should this contribution be initially reduced by reference to contributing a percentage of a certain carbon price?

-single choice reply-(optional)

If you consider that contributions to a compensation fund should, in the initial years of a system, be limited, should this contribution be initially reduced by pre-set levels of contribution in financial terms?

-single choice reply-(optional)

In the event that revenues are needed for international climate finance, how long should a transition take to full contribution (please specify a year)?

-open reply-(optional)

Option 2 : Target-based approach

How can compliance be ensured?

-open reply-(optional)

A compensation fund for the maritime sector must be global and not regional as a contribution to EU emission reduction. It is certainly not to be considered as a tax going into the coffers of governments. The levies must be earmarked and go directly in the fund. The fund should mainly be used for CO2 reduction measures in the shipping industry. Another part can be fed into the UNFCCC Green Climate Fund.

Do you consider that option 1 could achieve the emission reduction required effectively and efficiently? -single choice reply-(optional)

Disagree

Do you consider that option 2 could achieve the emission reduction required effectively and efficiently ?

Partially agree

-single choice reply-(optional)

Mandatory emission reductions per ship

Do you consider that option 1 could achieve the emission reduction required effectively and efficiently ?

Disagree

-single choice reply-(optional)

Do you consider that option 2 could achieve the emission reduction required effectively and efficiently?

Partially agree

-single choice reply-(optional)

Please substantiate your answer.

-open reply-(optional)

We prefer option two, EEDI, and implemented on global level. EEDI takes in consideration vessel types such as container, LoLo, STORO and hopefully different constructions of them. Vessels in paper industry are designed after purpose/ markets and water/routes, to optimize loading, unloading, storing, ice and snow etc.

Do you consider that the target can be set on an other basis?

-single choice reply-(optional)

Please substantiate your answer. -open reply-(optional)

Do you consider that a mechanism that rewards early movers should be explored -single choice reply-(optional)

Yes

If yes, what kind of mechanism could be implemented? -open reply-(optional)

Do you consider that a mechanism that creates incentives to go beyond the mandatory emission reduction should be explored? -single choice reply-

Yes

(optional)

If yes, what kind of mechanism could be implemented? -open reply-(optional)

The adoption of the EEDI in IMO is an important step forward, the significance of the Ship Energy Efficiency Management Plan (SEEMP), which will be mandatory for all ships and implemented from 2013. This include improved voyage planning, speed management, weather routening, optimising engine power, hull maintenance and use of different fuel types. When these measures are taken together, the industry as a whole can deliver more than a 20 percent reduction in emissions per tonne of moved cargo. Paper industry in Scandinavia has already started these measures to fulfill reductions according to environmental plans set.

Emission trading system

Do you consider that financial support (either directly as free allowances or some of the revenue generated from allowances) should be given during a transitional period?

-single choice reply-(optional)

If yes, and in the event that revenues are needed for international climate finance, how long should a transition take?

-open reply-(optional)

Should shipping be able to acquire emission reductions from other sectors? -single choice reply-(optional)

No

Should shipping be able to sell emission reductions to other sectors?

-single choice reply-(optional)

No

Please substantiate your answers -open reply-(optional)

An ETS for shipping must be global and by no means be part of the EU ETS. Buying or selling emission allowances will drive energy prices which will be most costly for our energy intensive sector.

Do you consider that an ETS could achieve the emission reduction required effectively and efficiently?

-single choice reply-(optional)

Disagree

Please substantiate your answer -open reply-(optional)

ETS for aviation is rejected by foreign countries such as China. Is there any reason not to expect the same thing happening if maritime transport was to be covered by ETS in Europe.

Tax

Tax on fuel

Do you consider that the evasion risk can be avoided when setting a tax on bunker fuel?

-single choice reply-(optional)

No

Do you consider that a tax on fuel could

Partially agree

achieve the emission reduction required effectively and efficiently?
-single choice reply-(optional)

Please substantiate your answer.
-open reply-(optional)

Tax revenues are expected to remain with member states as excise and not reallocated to reduce CO2 emissions from the sector. Also, decision on taxation requires unanimity in the EU. The shipping industry has also a tradition of passing - through cost to the end-customer via surcharges in a rather opaque way, by which the customer would not be informed on the action taken to mitigate the problem giving rise to the surcharge. Therefore passing on the carbon costs to their customers via a bunker levy would remove the accountability of the shipping industry without reducing carbon emissions.

Tax on emissions

Do you consider that a tax on emissions could achieve the emission reduction required effectively and efficiently?
-single choice reply-(optional)

Disagree

Please substantiate your answer -open reply-(optional)

See above question.

Choice of policy options

Compensation fund -single choice reply-(optional)

1

Mandatory emission reduction per ship -single choice reply-(optional)

No opinion

Emission trading system -single choice reply-(optional)

No opinion

Tax -single choice reply-(optional)

No opinion

Environmental effectiveness (ensure effective emission reduction in line with the 2°C objective) -single choice reply-(optional)

1

Maintain the competitiveness of the EU -single choice reply-(optional)

1

Maintain competitiveness of the EU maritime sectors, while giving them the first mover advantage, by providing incentives to increase fuel efficiency before the rest of the world adopt specific measures -single choice reply-(optional)

No opinion

Enforceability (Ensure appropriate monitoring, reporting and verification while keeping administrative burden to the minimum) -single choice reply-(optional)

4

Consistency with the related EU policies -single choice reply-(optional)

2

Vulnerability: Exposure to/Risk of evasion -single choice reply-(optional)	2
Timeliness (Consistency with timing of application of measures and interaction with policy progress in international fora) -single choice reply-(optional)	1
Should other criteria be used? -single choice reply-(optional)	No opinion
Please substantiate your answer. -open reply-(optional)	
A system for mitigating CO2 from shipping must not be part of the existing EU ETS	
Regardless of the option proposed, should the maritime sector be in principle authorized to use international credits (e.g. from the Clean Development Mechanism) for its compliance ? -single choice reply-(optional)	No
Should the maritime sector be authorized to use international credits subject to quantitative and qualitative limits, along the same lines as for other sectors? -single choice reply-(optional)	No
What kind of restriction (quantitative and qualitative) should apply on these international credits? -open reply-(optional)	
<h2>General comments</h2>	
Please feel free to give any additional comments. -open reply-(optional)	
<p>Proposals such as that presented recently to the IMO by the government of the Bahamas (a financial contribution from maritime transport in proportion of the 2.7 percent of its GHG emissions rather than an ETS or a fuel tax) would appear to offer the most promising way forward: the proposal cover most of the expectations and in particular its coverage of all of the vessels, the monitoring period, followed by a period of voluntary implementation and then mandatory implementation after 5 years, with a percentage reduction varying according to the type,size and age of the vessel.</p>	