To: LESOVICI Roxana (CAB-VALEAN); (MOVE);

(MOVE); KOPCZYNSKA Magda (MOVE); (MOVE);

(MOVE); (MOVE);

(MOVE); (MOVE-EXT); (MOVE);

(MOVE)

**Subject:** Flash | Meeting between CAV and ECSA, 8 June 2022

## Flash | Meeting between CAB Valean and ECSA, 8 June 2022

## **Participants:**

COM: Roxana Lesovici (CAV), (MOVE 01),
D1)
ECSA:

## **Summary:**

- COM congratulated
- ECSA had tried to broaden the alliance behind their FuelEU position by teaming up with T&E and fuel suppliers. ECSA would support higher ambition if their main concerns were taken into account, in particular the shared responsibility of fuel suppliers. On that point, COM noted the revised position so that the suggestion was now to require MS to ensure availability of fuels that meet the same annual GHG intensity targets as those that will apply to the demand side. COM asked how ECSA envisioned enforcement of requirements on fuel suppliers under FuelEU Maritime, to which they replied that fuel suppliers should be required to prepare a supply plan much like the monitoring plan for ships. They could then be inspected against this supply plan. ECSA further explained that they would want fuel suppliers to have a requirement for gradually reducing the GHG intensity of the fuels they place on the market (not requirements in terms of quantities, types). COM invited ECSA to share further details on their thinking.
- ECSA advocated that revenues from the ETS and penalties under FUelEU Maritime should be channeled to a fund to be used for the purchase of carbon contracts for difference (CfD) thus helping to bridge the price gap between conventional fossil fuels and renewable and low-carbon fuels. ECSA promised to share a paper on CfD.
- As regards a subtarget, ECSA would support it covering both advanced biofuels and efuels/RFNBOs (whereas the proposal made in Council by DE, DK was for a subtarget covering only e-fuels/RFNBOs).
- COM asked ECSA where they stood on the exclusion of transshipment ports to minimize carbon leakage. ECSA replied that they were still considering internally.
- A discussion was had on the issue of the commercial operator, where ECSA wanted legislation to stipulate that contracts shall specify that companies can pass on compliance costs to charterers to ensure these observe the polluter-pays-principle. COM expressed doubts as to why this needs to be required in the law (beyond the existing recitals). However, ECSA clarified that this issue regarded the ETS and not FuelEU Maritime.
- Before closing the meeting, ECSA mentioned some additional issues:
  - Difficulties with paying salaries to Ukrainian seafarers (early in the war), but also increasingly to Russian seafarers as well because of the exclusion of Russia from the SWIFT system. ECSA was in contact with FISMA and MOVE D2 about the issues. COM agreed on the need to assess such impacts and finding solutions that work without circumventing sanctions.

- Discussions on the Platform for Sustainable Finance on the taxonomy 2<sup>nd</sup> Delegated Act, where ECSA proposed to follow a life-cycle approach as in FuelEU Maritime. One thing was to use the taxonomy for best in class, but it was not justified to use the definitions in accessing EU funds or wider without considering the context of the taxonomy (which is meant to classify "green" investments).
- In the prudential regulation for banks, short sea shipping was not recognized as infrastructure, although road and trucks were – this was a problem because it limits the EU shipping industry's access to finance. ECSA was approaching DG FISMA on their proposal, which was going to trilogues soon, to have ship financing recognized under infrastructure financing.

Policy Officer



**European Commission** 

Directorate-General for Mobility and Transport Unit D1 – Maritime transport and logistics

B-1049 Brussels/Belgium