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STANDING COMMITTEE OF THE EFTA STATES

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SUBCOMMITTEE II ON THE FREE MOVEMENT OF CAPITAL AND SERVICES

EEA EFTA Comment on the proposal for a regulation on the accelerated phasing-in of the double-hull or equivalent design requirements for single-hull oil tankers and repealing Council Regulation (EC) No 2978/94 (COM(2006)111 final)

I EXECUTIVE SUMMARY

The EEA EFTA Member States welcome the Commission's work on reducing the risk of oil pollution from ships. The EEA EFTA States express their concern on the possible unintended consequences of the Commission's proposal for a regulation on the accelerated phasing-in of double-hull or equivalent design requirements for single-hull oil tankers repealing Council Regulation (EC) No 2978/94.

The EEA EFTA States encourage the Commission to reconsider its proposal.

II Banning of EU single-hull oil tankers

In general the EEA EFTA States welcome the Commission's work on reducing the risk of oil pollution. The EEA EFTA States share the Commission's general concern regarding the safety and environmental aspects of single-hull oil tankers. The IMO regulations in the amended Annex I to MARPOL 73/78 should be recognized as the global regime to regulate the carriage of heavy grade oils.

It is the opinion of the EEA EFTA States that the existing IMO regulations are sufficiently balanced to accommodate certain regions' right to environmental protection and the availability of necessary tonnage to ensure world wide supply of heavy grade oils. It is the EEA EFTA States' view that the proposal will not lead to an increased level of maritime safety on a global level. On the contrary, the safety problems that single-hull oil tankers might represent will simply be transferred to areas outside Europe.

The Commission proposes to prohibit any oil tanker carrying heavy grade oil products, to fly the flag of a Member State, unless it is a double-hull oil tanker, ref. Article 1 in the proposal.

In this particular case though, the EEA EFTA States believe that the Commission's proposal most probably will lead to the unintended and unwanted result of an increased risk of oil pollution on a global level.

In accordance with the exemptions in MARPOL 73/78 Regulations 13 G and 13 H in Annex I, a Flag State may grant a ship a prolongation of the phasing-out period.

It can be expected that some Port States will allow calls of ships with prolonged operation according to the exemptions in MARPOL 73/78 Annex I Regulation 13G and 13H. This means that single-hull oil tankers can continue to operate outside the EU/EEA area. There will therefore probably be a market for such ships. If these ships were to be forbidden from sailing with EU/EEA flag, as proposed by the Commission, there is a high risk that they will be flagged out to registers outside the EU/EEA area, registers which may have a less quality minded administration than the EU. It would lead to an increased global environmental hazard if the ships in their new registers develop to a lesser standard.

A Flag State considering granting a tanker continued operation in accordance with the provisions of MARPOL 73/78 Annex I is required to examine the condition of the ship prior to granting continued operation. It is essential that this obligation is conducted thoroughly, and moreover, the Flag State should to the extent possible ensure that the condition of the ship meets the required quality standards throughout its operating life. The high quality label of EU administrations ensures that these ships meet such standards.

We therefore believe that it is preferable that it is the administrations of the EU/ EFTA States that consider if a single-hull tanker can be granted continued operation.

It is the EEA EFTA States' opinion that the proposal will lead to a reduction of the European fleet. It will be to the detriment of European ship-owners and will make the EEA ship registers less attractive. Such outflagging would be contrary to the ambitions of the Commission, set out inter alia in the Green Paper: "Towards a future maritime Policy for the Union: A European Vision for the Oceans and the Seas", to strengthen the European maritime industry.

It has been argued that the amended regulation will only prohibit the carriage of heavy grades of oil and that the tankers will certainly still be able to transport other products. It is the EEA EFTA States' opinion that changing single-hull tankers from a means of transporting heavy crude oil into a means of transporting other products is not a feasible and practical solution. It is therefore unlikely that single-hull oil tankers will continue to operate under EU/EEA flag.

III Conclusion

It is the opinion of the EEA EFTA States that the existing IMO regulations are sufficiently balanced to accommodate certain regions' right to environmental protection and the availability of necessary tonnage to ensure world wide supply of heavy grade oils. It is the EEA EFTA States' view that the proposal will not lead to an increased level of maritime safety on a global level. On the contrary, the safety problems that single-hull oil tankers might represent will simply be transferred to areas outside Europe.

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