

October 2018

Quarterly EU Report



Executive Summary

In this first issue of the Quarterly LOGOS EU Monitoring for the International Council of Marine Industry Associations, we cover a total of 10 topics, broadly categorised into environmental legislation and other relevant EU policies.

One of the topics that we would flag as more important in this report relates to the Commission proposal for a Directive on the **protection of workers from the risks related to carcinogens and mutagens at work**. The Second and Third Amendments to the Directive should be of special concern, considering that topics such as the inclusion of work involving exposure to mineral oils that have been used in internal combustion engines, including, marine engines could be included in the text. Moreover, in his Report on the Proposal, Rapporteur MEP Claude Rolin (EPP, BE) stated that there is sufficient evidence of the carcinogenicity of diesel engine exhaust emissions arising from the combustion of diesel fuel in compression ignition engines, and will therefore have the intention of including this in the text.

Regarding the **Water Framework Directive**, it is key to highlight that it is going to have a growingly fundamental role in the near future, as the Commission is currently introducing a new approach by which the WFD will have an overarching role into other initiatives such as the Marine Framework Strategy Directive or REACH. Taking into account that there is an open public consultation on the WFD at the moment, it is advisable for ICOMIA to answer it.

Another key topic is the **Marine Strategy Framework Directive**, where we provide a broad overview of the areas in which the recreational boating industry will therefore have a substantial interest in, including areas such as non-indigenous species, invasive species, recreational fishing, nutrient input, hydrographical changes, contaminants in sea and seafood, marine litter, energy use including underwater noise or biodiversity & habitats.

LOGOS also analyses the latest developments covering the **EU Timber Regulation**, with a specific focus in teak, considering also some of the enforcement efforts from some Member States in the most recent months.

There are also interesting updates concerning the **Port Reception Facilities**, particularly in what relates to the redefinition of the position of fishing vessels and small recreational craft given their relative importance in contributing to the problem of marine litter at sea. Whereas under the current Directive both fishing vessels and small recreational craft are exempted from some of the key obligations, these exemptions have been redefined in the proposal, so that the larger vessels are included based on length and gross tonnage to ensure proportionality of the regime. Reporting of the information from the waste notification and waste receipt would only be required for fishing vessels and recreational craft of 45 metres and above.

We also deliver two sections covering **trade issues**, which include analyses on the situation in the US and UK-Brexit (as well as Singapore, Vietnam, Japan, MERCOSUR, Australia and New Zealand). The on-going EU-US Trade War is surely worth highlighting, including the latest measures taken by the EU on protecting EU markets against potential surges in steel and aluminium imports through the adoption of safeguard measures by the adoption of an Implementing Regulation.

Other sections in the report cover developments in the **Biocidal Products Regulation**, the **Ship Recycling Regulation**, or the **MRV of CO2 Emissions from ships**.

The Report finishes with a compilation of some relevant **industry news** on a variety of topics, ranging from antifouling, autonomous ships or fuels to additive manufacturing or US EPA new VGP requirements.

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SECTION I – Environmental Legislation and Initiatives

1. SHIP RECYCLING REGULATION

Background The [Regulation \(EU\) No 1257/2013](#) on Ship Recycling entered into force on 30 December 2013. It was published in the Official Journal on 10 December 2013, however, certain provisions of the Regulation will start to apply between 31 December 2014 and 31 December 2020.

The Regulation transposes the Hong Kong Convention on International Ship Recycling into EU law and sets out the requirements for ships recycling, ship-owners, hazardous materials, recycling facilities (authorisation and inspection, prevention of impact on human health and the environment) as well as rules on reporting (reporting requirements for ship-owners and ship recycling facilities) and enforcement by the Member States. The Regulation aims to ensure that ships linked to the EU in terms of flag or ownership are only dismantled in safe and environmentally sound facilities within the EU or OECD.

The Regulation, with the exception of Article 12, applies to ships flying the flag of a Member State. Article 12 applies to ships flying the flag of a third country calling at a port or anchorage of a Member State. According to the Regulation, the installations or use of hazardous materials on ships have to be prohibited or restricted as specified in Annex I (for instance asbestos and ozone-depleting substances). The Regulation requires for each new ship to have on board an inventory of hazardous materials, which has to identify at least hazardous materials referred to in Annex II and contained in the structure or equipment of the ship, their location and approximate quantities.

The Regulation states that the inventory of hazardous materials has to: be specific to each ship; provide evidence that the ship complies with the prohibition or restrictions on installing or using hazardous materials in accordance with Article 4; be compiled taking into account the relevant IMO guide-lines; and be verified either by the administration or a recognised organisation authorised by it.

Among other things, the Regulation sets out rules with regard to general requirements for ship owners; ship recycling plans; surveys; insurance and endorsement of certificates; port state control; requirements for ships flying the flag of a third country; requirements necessary for ship recycling facilities to be included in the European list; and authorisation of ship recycling facilities located in a Member State

Latest developments

In the Brussels arena, the ship-owners' association ECSA has been lobbying for the right to scrap old vessels outside Europe, where cost may be lower and environmental standards slacker, despite sufficient capacity in the EU, according to a [new report](#) by T&E.

Under legislation due to take effect in January, ships carrying the flag of a European Union country will only be permitted to be decommissioned in approved yards, of which there are 20 – not necessarily in the EU – on the current list attached to the 2013 Ship Recycling Regulation.

The report, compiled in collaboration with the NGO Shipbreaking Platform, asserts that existing EU facilities have the capacity to handle the current volume of EU-flags ships that are scrapped each year.

However, the European Commission's expert group on ship recycling is due to meet on 3 October to discuss possible changes to the list, and pressure from the shipping industry may persuade legislators to delay the implementation of the regulation or add sub-standard shipbreaking facilities to the list. There is also concern about the possible inclusion of facilities that use the 'beaching' method to break up ships. The report acknowledges that the global impact of the EU regulation is not in proportion to the share of worldwide shipping controlled by European firms, however.

An information document circulated ahead of the expert group meeting notes that, while 588,000 tonnes of ships flying an EU flag were dismantled on average each year between 2013 and 2017, a further 432,000 tonnes of ships had changed from an EU flag to another jurisdiction less than a year prior to decommissioning. Green NGOs would prefer the Regulation to take into account vessels owned and operated by EU companies or operating in EU waters.

At legislative level, it is worth noting that in May 2018, the Commission put through [Commission Implementing Decision \(EU\) 2018/684](#) amending EU rules establishing a European List of ship recycling facilities. This text updates the entries in the European List of ship recycling facilities set out in the Annex to [Commission Implementing Decision \(EU\) 2016/2323](#), which entered into force back on 9 January 2017.

Decision (EU) 2016/2323 sets out the European List of ship recycling facilities, in line with Article 16 of the Regulation on Ship Recycling. The list contains 18 ship recycling facilities, and sets out information of these facilities, including: the method of recycling; the type and size of ships that can be recycled; limitations and conditions under which the ship recycling facility operates; details on the explicit or tacit procedure; the maximum annual ship recycling output; and the date of expiry of inclusion in the list.

However, LOGOS is aware that the Commission is expected to adopt a draft measure amending EU rules establishing a European List of ship recycling facilities, therefore updating the entries in the European List of ship recycling facilities according to the latest updates. Moreover, it is worth noting that the Commission is expected to publish a Report reviewing EU rules on ship recycling, according to Article 30(2) of the text. The expected review should also consider the inclusion of ship recycling facilities authorised under the [Hong Kong Convention on International Ship Recycling](#) in the European List in order to avoid duplication of work and administrative burden.

On a further note, the European Parliament and the Council may decide to officially respond to the Commission's [Report](#) on the feasibility of a financial instrument that would facilitate safe and sound ship recycling in the coming months. The European Parliament would respond through the adoption of an Own-initiative Resolution, while the Council would adopt Conclusions in response to the Report. In this regard, a first exchange of views in the European Parliament's Environment (ENVI) Committee already took place last year, and during this meeting, MEPs Miriam Dalli (S&D, Malta) and Margrete Auken (Greens/EFA, Denmark) both showed supported for the possible introduction of a European Ship Recycling License and asked the Commission when such an instrument could be presented. According to the Report, the Commission acknowledges the merits of a potential Ship Recycling Licence, which represents the most promising option investigated thus far. Nevertheless, the Commission is aware that a number of issues deserve further analysis, including with regard to the compatibility of such a potential financial instrument with EU and international law. Therefore, the need for additional measures on financial incentives will be reassessed at a later stage, based on an analysis of the use and effects of the European List of ship recycling facilities, the Report concludes.

Moreover, in March 2018, the Commission presented a [Report](#) on the exercise of the power to adopt delegated acts under EU rules on ship recycling. According to Art. 5(8) of the Ship Recycling Regulation, the Commission has the power to adopt delegated acts for a period of five years from 30 December 2013. The Commission Report fulfils the obligation under Article 24(2) of the Regulation to present a Report on the exercise of the power to adopt delegated acts nine months before the five-year period.

It is also worth noting that [Decision \(EU\) 2018/853](#) as regards procedural rules in the field of environmental reporting and repealing the Standardised Reporting Directive (SRD) entered into force on 4 July 2018. It was published in the EU Official Journal on 14 June. The Decision repeals the Standardised Reporting Directive and amends accordingly 6 other legal acts referring to this Directive. The Decision also aims to bring the comitology provisions of existing environmental legislation adopted before 2010 into line with the Lisbon Treaty and the interinstitutional agreement on Better Law-Making. The Ship Recycling Regulation is one of these texts, along with others such as the Asbestos Directive, the Sewage Sludge Directive or the Geological Storage of CO2 Directive.

Relevance for marine sector

Ship recycling is the complete or partial dismantling of a ship enabling the re-use of valuable materials, and it is what ships face in the end of their lifespan which for the modern ships is 25-30 years. By then, corrosion, metal fatigue and lack of parts make them uneconomical to run. The materials of the ships, especially steel, are recycled and made into new products. Any re-usable equipment, electrical devices and other items on board are also re-cycled. Even many hazardous wastes can be recycled into new products such as lead-acid batteries of electronic circuit boards. In this way, ship recycling is a notable part of the circular economy, keeping resources at use for as long as possible and minimising waste.

Considering that many of ICOMIA's members are in the shipbuilding business, it is key to follow the updates of this Regulation, which could cascade into other initiatives covering environmental issues in the maritime sector. Notwithstanding, the bottom line that's derived from the evolution of this Regulation and generally of other texts in the environmental domain, is that the European Commission is pushing more and more into environmentally friendly legislation, thus putting more pressure on the maritime industry (among others) to meet increasingly restrictive requirements and limits. Thus, being on top of these texts is advisable to ICOMIA members, particularly in what concerns the developments that take place in the European Commission's Expert Group on Ship Recycling, ESGR (described below), which is the first point of contact between the Commission and Member States on this Regulation.

Furthermore and in relation to Brexit, ICOMIA stakeholders which deal with business with the UK are also advised to consider the following [notice](#) (published in March 2018) pertaining to the withdrawal of the United Kingdom from the European Union and impact on the EU Ship Recycling Regulation.

Next steps

From 31 December 2018, large commercial seagoing vessels flying the flag of an EU Member State may be recycled only in safe and sound ship recycling facilities included in the [European List of ship recycling facilities](#), which will be further updated in the future through Implementing Acts (as those seen above) to add more compliant facilities or to remove facilities which have ceased to comply.

Key stakeholders

The main unit in the European Commission dealing with the Ship Recycling Regulation is DG ENV's B3 Unit on Circular Economy and Green Growth - Waste Management and Secondary Materials

- Sarah NELEN - Head of Unit
- J. W. LANGENDORFF - Deputy Head of Unit
- P. KOLLER – Policy Officer

Expert Group on Ship Recycling

Latest developments:

The EGSR's most recent meeting took place on the 3rd of October 2018, and you can find the meeting's agenda [here](#). The meeting is not public, but a summary of the contents of the discussions will be released in due time. The main points to be discussed include a Technical note by DG ENV on the capacity of the European List of ship recycling facilities, a reminder on key obligations for Member States and a follow-up to discussions and conclusion on pending issues related to articles 5, 11 and 12 of the regulation.

The Commission will also present an [Explanatory note on the analysis by the European Maritime Safety Agency of vessels dismantled during the period 2013-2017](#), which comes as a follow-up of a European Commission request for assistance from EMSA on the calculation of the recycling needs of the EU shipping fleet. EMSA has estimated for the years 2013 to 2017:

- (i) the number of vessels flying the flag of an EU Member State sent annually to recycling facilities;
- (ii) the number of non-EU flagged vessels sent annually to ship recycling facilities;
- (iii) the number of vessels which were flagged to an EU Member State but changed flag to a non-EU Member State one year before getting dismantled.

On this basis of the above figures, it is estimated that, during the period 2013-2017:

- The yearly overall average weight of EU-flagged vessels which were dismantled amounted to 588.000 Light Displacement Tonnes (LDT);
- The yearly overall average weight of vessels which were flying the flag of an EU Member State and have changed flag to a non-EU country one year before dismantling amounted to 432.000 LDT.

The latest meeting before this one took place on the 18th of June. You can access a summary record of the meeting [here](#).

Membership:

The EGSR is formed by the Environment Ministries/Permanent Representations of the EU Member States.

Background:

The European Commission's Expert Group on Ship Recycling was set up ahead of the launch of the Regulation as a platform to liaise with the European Commission, exchange views and ideas on Ship Recycling and coordinate with Member States.

2. BIOCIDAL PRODUCTS REGULATION (EU) No 528/2012

Background

The European Biocide Directive was established back in 1998, which already laid the ground towards banning TBT tributylétain in 2003. In order to meet technological updates in the field, the Biocidal Products Regulation (BPR, [Regulation \(EU\) 528/2012](#) came into play in 2012, and covers the placing on the market and use of biocidal products, which are used to protect humans, animals, materials or articles against harmful organisms like pests or bacteria, by the action of the active substances contained in the biocidal product. This regulation aims to improve the functioning of the biocidal products market in the EU, while ensuring a high level of protection for humans and the environment.

The Regulation is divided into four different categories, counting up to a total of 22 different products. These categories are Disinfectants (Group 1), Preservatives (Group 2), Pest Control (Group 3) and Other Biocidal Products (Group 4).

Latest developments

In 2021, the Commission will launch an Implementation Report on the Biocidal Products Regulation, which is expected to cover the Union authorisation procedure.

According to the Report on Union authorisation under BPR, published on 28 May 2018, the trend in the submission of applications for Union authorisation shows that the procedure is increasingly used in the recent years. However, the Report noted that it would only be possible to fully assess the success of this procedure some years after the actual delivery of Union authorisations. While decision-making on the first four applications is in the final stage, so far no Union authorisation has been granted. A more comprehensive assessment of the Union authorisation would therefore be included in the Commission Implementation Report expected in 2021.

The recent Report highlighted that Member States would have to submit their national reports on the implementation of the Regulation by 30 June 2020.

The required information would include: results of official controls, poisoning and occupational diseases involving biocidal products, adverse environmental effects thorough the use of biocidal products, and use of nanomaterials in the biocidal products and potential risks.

Following analysis of national reports, the Commission will begin drafting a composite Report, which is expected to be presented by 30 June 2021. The Report will then be submitted to the European Parliament and Council for examination.

The Competent Member State Authorities for Biocidal Products discussed the information to be collected in the context of the expected Implementation Report of Regulation (EU) No 528/2012 in January. In this meeting, the Commission explained that the template for the first reporting round due in 2020 contains mostly descriptive information, while the template prepared for subsequent reporting exercises is more focused on quantitative data. The

process is meant to allow Member States to make the necessary arrangements to collect the data requested as of 2020.

During the meeting some Member States expressed reservations with regard to possibilities of retroactive reporting (since 2013) and mentioned they might not be able to submit all the information requested for the first reporting phase. Additionally, some Member States underlined the difficulty to obtain the data to be reported, also due to the limited resources available.

In its response, the Commission reminded that reporting on the implementation of the Biocidal Products Regulation is a legal obligation set up in Article 65 of the Regulation, both for the Member States and the Commission. Furthermore, it was agreed that based on the experiences gained, this preliminary template should be re-evaluated in 2019 with a view to having an established template for future reporting from 2020. The new template should be agreed by the end of 2019, so it can be used for the second phase of reporting. Member States would have to submit their national reports on the implementation of the Regulation by 30 June 2020.

A two-stage approach on reporting is applied, where the first reporting will require less detail of information, while subsequent reporting rounds could provide the information collected in a structured manner. Following agreement on the information note, the possibilities would be analysed to develop an Information Technology (IT) tool that would allow Member States to submit the information electronically. One of the envisaged options by the Commission would be to integrate the BPR reporting in the reporting tool/system for the CLP and REACH Regulation. Member States' data would allow the Commission to draft a Report to the European Parliament and the Council about the level of implementation of the Regulation. The gathered information would finally serve as a reference for future reporting exercises.

Relevance for marine sector

The key product in the list which is of interest to ICOMIA would be:

- **Product 21 (Other Biocidal Products) - Antifouling products:**
These are products used to control growth and settlement of fouling organisms (microbes and higher forms of plant and animal species) on vessels, aquaculture equipment or other structures used in water.

Antifoulings used in the boating industry represent a very small percentage compared to other sectors such as agriculture, buildings or gardening.

The active substance/product-type combinations listed are all those for which an application for approval has been submitted under BPR, including "existing" active substances included in the Review Programme and "new" active substances. In this regulation, active substances are classified according to their category: human hygiene, wood protection products, insecticides, taxidermy, etc. Active substances for antifouling are classified as product type 21 and represent 12 molecules. The 12 molecules are submitted to eco-toxicology tests and environment impacts tests.

Here is active substances allowed for antifouling paints according to the European Chemicals Agency (ECHA):

- 4,5-Dichloro-2-octylisothiazol-3(2H)-one(4,5-Dichloro-2-octyl-2H-isothiazol-3-one (DCOIT))
- Bis(1-hydroxy-1H-pyridine-2-thionato- O,S) copper (Copper pyrithione)
- Copper
- Copper thiocyanate
- Dichloro-N-[(dimethylamino)sulphonyl],fluoro-N-(ptolyl) methanesulphenamide (Tolyfluamid)
- Dicopper oxide
- Medetomidine
- N-(Dichlorofluoromethylthio)-N',N'-dimethyl-N-phenylsulfamide (Dichlofluamid)
- Tralopyril
- Zineb
- Pyrithione zinc (Zinc pyrithione) – UNDER REVIEW
- N'-tert-butyl-N-cyclopropyl-6-(methylthio)-1,3,5-triazine-2,4-diamine (Cybutryne) – NOT APPROVED

Research and Development methodologies are making huge strides in improving the potency, efficacy and environmental fallout of antifouling products, from polymer binder design to the biocide content and overall formulation. Beyond current biocidal formulations, paint companies are also busy investigation next-generation technologies that could eliminate the need for biocides altogether. This obviously includes the consideration of the regulatory landscape, as trends will have to be analysed to assess what could be the way forward with the objective of adopting innovative solutions to meet increasingly restrictive regulations such as the BPR, which calls into question even the less harmful copper-based antifouling paints.

The text requires that all key biocides used in antifouling yacht paints in the EU be assessed. Applying and maintaining these paints is very costly for recreational vessels, and can be huge for large ships. The combination of environmental concerns, rising costs, and technological changes has spurred the search for better solutions.

ICOMIA members should follow the developments in the BPR closely, and when investigating into future products to be put into the market, consider the fact that requirements from the European Commission are going to be stricter and stricter, which is surely not the best situation for antifouling producers, who face a time-consuming, confusing, and expensive process to cope with the most recent updates of the BPR.

Next Steps

Member States would have to submit their national reports on the implementation of the Regulation by 30 June 2020.

Following analysis of national reports the Commission will begin drafting a composite Report, which is expected to be presented by 30 June 2021.

The Report will then be submitted to the European Parliament and Council for examination.

Key players

The key Commission Officials dealing with this file are in DG SANTE's E4 - Food and feed safety, innovation - Pesticides and biocides, Sub-unit 3 on Biocides:

- Klaus BEREND - Head of Unit (E3)
- BITTERHOF - Deputy Head of Unit (E3)
- A. LAS HERAS - Policy Officer – Biocides
- M. NAGTZAAM - Policy Officer - Biocides and REACH

3. PORT RECEPTION FACILITIES FOR SHIP-GENERATED WASTE AND CARGO RESIDUES + UPDATES ON EU PORT SERVICES REGULATION

Background

Earlier in 2018, the Commission presented a [Proposal for a Directive on Port Reception Facilities for the Delivery of Waste from Ships](#), which would repeal and replace the Port Receptions Facilities Directive and includes changes to the Directive on Port State Control. The proposal aims to align the EU regime as far as possible with MARPOL, in particular as regards scope, definitions and forms. The main objective is to ensure that more ship-generated waste is offloaded in ports and not discharged into the sea. The proposal also aims to improve efficiency of maritime operations in port by reducing the administrative burden of national authorities and operators. The proposal is based on the findings of the [Commission Report](#) on the evaluation of the Directive which was published on 4 April 2016. In particular, it aims to address the problems emerged during the Fitness Check of the Directive. The most important changes introduced by the proposal are:

Incentives for delivery - To ensure that the right incentives are provided for the delivery of the different types of waste to port reception facilities, Article 8 lays down the main principles to be incorporated and employed in every fee system set up under the proposal. This includes the relationship between the fee charged and the costs of PRF, the calculation of the 'significant contribution' to be covered by the indirect fee, and the main transparency requirements. A new Annex 4 is included in the proposal, which provides an overview of the different types of costs of the PRF system, distinguishing between direct and indirect costs.

Enforcement of the mandatory delivery requirement – As stated above, the proposal aims to align the advance waste notification form (referred to in Article 6) with IMO Circular MEPC/834 and is provided in a new Annex 2. The scope of the delivery obligation for all waste would be in accordance with MARPOL, so that the PRF Directive mirrors the MARPOL discharge regime. Where MARPOL prohibits the waste from being discharged at sea, the proposal requires the delivery of this waste to port reception facilities on shore, including the cargo residues.

Additionally, Article 7 requires the issuing of a waste receipt to the ship upon delivery of the waste, containing the information that should be electronically reported by the ship into the information, monitoring and enforcement system, i.e. SafeSeaNet, before departure. On the inspection regime, Article 10 specifies that the PRF inspections must be fully integrated into the Port State Control regime set up under Directive 2009/16/EC and follow a risk-based approach, when the ship falls within the scope of that Directive.

Exemption regime for ships in scheduled and regular traffic - Article 9 of the proposal introduces a standard exemption certificate for ships in scheduled traffic with frequent and regular port calls. Member States may exempt a ship calling at their ports from the obligations in Articles 6, 7(1) and 8 if there is an arrangement to ensure the delivery of the waste and payment of the fees in a port along the ship's route.

Recreational craft and fishing vessels - The proposal would redefine the position of fishing vessels and small recreational craft given their relative importance in

contributing to the problem of marine litter at sea. Whereas under the current Directive both fishing vessels and small recreational craft are exempted from some of the key obligations, these exemptions have been redefined in the proposal, so that the larger vessels are included based on length and gross tonnage to ensure proportionality of the regime. Reporting of the information from the waste notification and waste receipt would only be required for fishing vessels and recreational craft of 45 metres and above.

It is key to mention that the proposal was presented together with other initiatives which are part of the Circular Economy Action Plan, which include a [strategy on plastics in the circular economy](#), a [monitoring framework for the circular economy](#), and an [analysis on the interface between chemicals, products and waste legislation](#), accompanied by a [public consultation](#) which ICOMIA is invited to complete (deadline is 29th of October 2018).

Regarding the European Union (EU) [Port Services Regulation \(PSR\)](#), it came into force on March 24, after it was adopted by the European Council early 2017.

The new regulation establishes a framework for the provision of port services and common rules on financial transparency, port services and port infrastructure charges. The PSR is expected to make it easier for new providers of certain port services to enter the market, creating a more level playing field and reducing legal uncertainties for ports, port service providers and investors.

Furthermore, the new rules are expected to ensure transparency of port charges and public funding of ports. This would lead to better use of public funds and the effective and fair application of EU competition rules in ports. The Regulation was part of the EU ports policy package, which also includes the Communication on further EU actions to develop European ports.

Latest developments

Regarding the PRF, the European Parliament's Transport (TRAN) Committee held an exchange of views on the [amendments](#) to the [draft Report](#) on the Commission's proposal on PRF for the Delivery of Waste from Ships on the 24th of September.

The debate showed that there is convergence among MEPs on many issues, including small ports, passively fished waste and delivery of waste from ships. During the debate, the Rapporteur Gesine Meißner (ALDE, DE) revealed that technical meetings with Shadow Rapporteurs have gone well and that 8 compromise amendments are being prepared so far.

While she welcomed the Commission's proposal, Meißner stated that she is sceptical about the Commission's approach of a "one-size fits all" solution to deal waste from ships. The Rapporteur clarified that the compromises prepared so far address the following issues:

- Reuse and recycling should be the focus and the role of EMSA should be strengthened.
- Information requirements of waste recycling handling plans should be changed with a view to increasing transparency.
- Small ports should be exempted if they are involved in the regional waste system and if the relevant Member State is notified.

- Fishermen which collect passively fished waste and bring it back to the port should be compensated.
- The obligation to discharge waste at EU ports before leaving for third countries, as proposed by the Commission, needs to be amended.
- The calculation of the indirect fee should be based on the size of the ship and the kind of waste delivered.

Shadow Rapporteur Deirdre Clune (EPP, IE) expressed satisfaction with the compromises reached so far. She highlighted the importance of avoiding placing administrative burden to small ports. At the same time, it's important to strike a balance so that the incentive to deliver waste to the ports is not watered down. Another priority is to ensure that fishermen don't encounter costs when they deliver passively fished waste to the port. Additionally, she is of the opinion that the obligation to discharge waste at EU ports before leaving for third countries should be deleted.

Shadow Rapporteur Maria Grapini (S&D, RO) also expressed support with the compromises reached. However, certain points still remain to be clarified, such as the concept of "green ships".

Shadow Rapporteur Keith Taylor (Greens/EFA, UK) highlighted that there are still some outstanding issues that need to be negotiated. In particular, any exceptions for vessels and small ports is concerning. The new law should encourage all kind of ships to deliver all types of waste to the port reception facilities. Therefore, the Greens/EFA support the 100% indirect fee system proposed by the Commission.

Shadow Rapporteur Tania González Peñas (GUE/NGL, ES) argued for the need for a better definition of small and very small ports. In this regard, she supports the idea of having small ports preparing joint waste management plans.

The Commission then took the floor to clarify a few key points:

- Indirect fees: 100% fee are crucial in order to guarantee a proper incentive for the delivery of waste at ports. The Commission's assessment found that fees based on the volume of waste delivered could disincentivize the actual deliver of waste. With the Commission's proposal, ports can still adjust the fee based on ship size.
- Passively fished waste: it's important to clarify that the proposal gives the right to fishermen to deliver the passively collected waste to ports against the fee that they are already due to pay for their own waste.
- Small and very small ports: a general exemptions to all small or very small ports would raise certain concerns. The size of the port should not be an obstacle to meet certain minimum requirements like handling simple waste management plans and issuing waste receipts.

On a different note in what relates to the PSR, given that the text already entered into force, there have been no key legislative updates since last year. However, especially in what concerns Brexit, there seems to be some turmoil with British ports, which are almost united in opposition of the Regulation. Under the normal progress from directive to law, EU legislation is adopted two years before it comes

into force, so the timing of the Port Services Regulation is that it will become EU law around a month after Brexit is expected to formally take place in 2019.

There have been submissions by UK port representatives to the Department of Exiting the EU (DExEU) to omit the regulation from the repeal bill, but these have largely gone unheeded. The British Ports Association (BPA) has stated that it has been pushing for areas around ports to be classified with a special planning and consenting status to help stimulate port development and growth with many of the rules on environmental regulation stemming from the EU. However, the British ports industry has anyway admitted that they will have to prepare for the introduction of the PSR before Brexit.

Relevance for marine sector

According to the text, “ship” means a seagoing vessel of any type operating in the marine environment, and shall include fishing vessels, **recreational craft**, hydrofoil boats, air-cushion vehicles, submersibles and floating craft.

Under the reform, ships will have to pay an indirect fee, which will give them the right to deliver their waste to a port and which will have to be paid regardless of whether or not they deliver any waste. This fee will also apply to fishing vessels and recreational craft, which means that it will also tackle the disposal of end-of-life fishing nets and passively fished waste in the sea. The fee will be based on the principle of cost recovery.

This will therefore have a direct effect on recreational craft. The Commission believes that although the majority of marine litter originates from land-based activities, the shipping industry, including the fishing and **recreational sectors** is also an important contributor, with discharges of garbage, including plastic and derelict fishing gear, going directly into the sea.

Next steps

On the PRF, the proposal follows the ordinary legislative procedure. The Council (following the adoption of the [general approach](#)) is now ready to start inter-institutional negotiations (trilogues) with the European Parliament.

Regarding the situation in the European Parliament, the TRAN Committee (Lead) and ENVI (Associated) Committees are working in cooperation. In TRAN, the vote is expected to take place on the 9th of October. Plenary MEPs are then expected to approve the mandate to start inter-institutional negotiations with the Council during the plenary session of 22-25 October.

Once the European Parliament has finalised its positions on the proposal, informal negotiations (trilogues) between the European Parliament and the Council can then begin with a view to reaching a first reading agreement. Any resulting compromise would need to be approved by the European Parliament in plenary and then by the Council.

On the EU Port Services Regulation (PSR) EU member states will be required to implement the legislation within two years of the abovementioned date meaning that the PSR will be effective from March 24, 2019

Key stakeholders

Within the European Parliament, as outlined above, the lead Committee is TRAN. The Rapporteur is Gesine Meißner (ALDE, DE), while the Shadow Rapporteurs are Deirdre Clune (EPP, IE), Keith Taylor (Greens/EFA, UK), Maria Grapini (S&D, RO),

Peter van Dalen (ECR, NL), Tania González Peñas (GUE/NGL, ES) and Rolandas Paksas (EFDD, LT)

Within the European Commission, it is DG MOVE — Directorate-General for Mobility and Transport, Unit D2, Waterborne - Maritime Safety

- Christine BERG - Head of Unit
- B. SELLIER - Deputy Head of Unit
- A. BOBO REMIJN. – Policy Officer

4. MARINE STRATEGY FRAMEWORK DIRECTIVE 2008/56/EC

Background

The [Marine Strategy Framework Directive \(MSFD - 2008/56/EC\)](#) was adopted in June 2008, and it aims to protect the marine environment across Europe while allowing the continuation of sustainable uses of the sea. The Directive enshrines in a legislative framework the ecosystem approach to the management of human activities having an impact on the marine environment, integrating the concepts of environmental protection and sustainable use.

The Commission also produced a set of detailed criteria and methodological standards to help Member States implement the Marine Directive. These were revised in 2017 leading to the new [Commission Decision on Good Environmental \(GE\) Status](#). GES is determined at the level of the marine region or sub-region on the basis of eleven qualitative descriptors. These relate to biological diversity, non-indigenous species, commercially exploited fish and shellfish, food webs, human-induced eutrophication, sea floor integrity, hydrographical conditions, contaminants, contaminants in fish and other seafood, marine litter and introduction of energy (including underwater noise). It is the responsibility of MS to identify ways of measuring each descriptor and determining a baseline, targets and indicators for each descriptor.

In order to achieve its goal, the Directive establishes European marine regions and sub-regions on the basis of geographical and environmental criteria. The Directive lists four European marine regions – the Baltic Sea, the North-east Atlantic Ocean, the Mediterranean Sea and the Black Sea – located within the geographical boundaries of the existing [Regional Sea Conventions](#). Cooperation between the Member States of one marine region and with neighbouring countries which share the same marine waters, is already taking place through these Regional Sea Conventions.

In order to achieve GES by 2020, each Member State is required to develop a strategy for its marine waters (or Marine Strategy). In addition, because the Directive follows an **adaptive management** approach, the Marine Strategies must be kept up-to-date and reviewed every 6 years.

[Annex III of the Directive](#) was also amended in 2017 to better link ecosystem components, anthropogenic pressures and impacts on the marine environment with the MSFD's 11 descriptors and with the new Decision on Good Environmental Status. The MSFD mainly applies to marine waters and may influence activities such as navigation, dredging and new construction. It is possible that Member States will require consideration of MSFD as part of Environmental Impact Assessments for large projects thereby forming part of the consenting process potentially including mitigating measures and monitoring programmes. The key requirements of the Directive, which apply on a six yearly cyclical basis, are:

- The initial assessment of the current environmental status of national marine waters and the environmental impact and socio-economic analysis of human activities in these waters
- The determination of what GES means for national marine waters
- The establishment of environmental targets and associated indicators to achieve GES by 2020

- The establishment of a monitoring programme for the ongoing assessment and the regular update of targets
- The development of a programme of measures designed to achieve or maintain GES by 2020
- The process is cyclical and the second cycle starts again in 2018.

It is key to say that the MSFD does not seek to replicate existing legislation rather to build upon it and fill in any gaps that may exist. It will not, for example, seek to replicate the efforts of the Water Framework Directive (WFD) or the Common Fisheries Policy (CFP) or indeed to undermine any regulations put in place by the International Maritime Organization (IMO).

Some of the links and differences between MSFD and WFD are worth highlighting. MSFD applies to marine waters (waters, seabed and subsoil on the seaward side of the baseline from which the extent of territorial waters is measured). MSFD therefore applies to coastal waters as defined by the WFD and therefore there is an overlap. However, MSFD only applies for the practical aspects of environmental status that are not already addressed through the WFD. The scope of MSFD is therefore broader than that of the WFD, covering a greater range of biodiversity components and indicators such as marine mammals and seabirds. In other words, where both directives apply in coastal waters, the MSFD covers those aspects of good environmental status not covered by the WFD such as litter, noise and marine mammals. The MSFD should therefore make as much use as possible of existing measures and agreements within the WFD because many of the measures to meet the objectives of the WFD will also deliver MSFD targets. This is of particular relevance to the contaminants descriptor where source control in riverine and coastal waters may have significant positive consequences for marine waters. The implications of the extensive geographical overlap with the WFD are also relevant for several other descriptors (e.g. biodiversity, eutrophication, hydrographical conditions).

Latest developments

Over the past 6 years (2011 – 2017), after the implementation of the MSFD, the EU Member States have been developing marine strategies to comply with the MSFD. Moreover, as stated above, the MSFD was published ten years ago but in connection with technological advancements and in line with the European Commission's drive towards a circular economy (Circular Economy Action Plan), revising the current situation of the MSFD and preparing the grounds for a future revision makes complete sense.

Thus, in July 2018, the Commission came forward with a [Report](#) assessing the programmes of measures developed by Member States for the implementation of the MSFD. In the Report, the Commission examines the steps Member States have taken to ensure a 'good environmental status' for all EU marine waters as required under MSFD. In doing so, the Report reviews measures introduced by Member States so far in this context.

The Report specifically assesses measures taken to address pressures on the marine environment and the state of marine biodiversity. Finally the Report assesses the performance of the measures taken at Member State level and concludes with recommendations.

The Report complements the Commission's [2014 Report](#) on the first phase of implementation of the Marine Strategy Framework Directive and [2017 Report](#) assessing the monitoring programmes submitted by Member States under the same Directive.

Relevance for marine sector

In a similar way to the WFD, it is key to mention that the MSFD's scope is applied to all areas where ICOMIA has activities in: i.e. marine and coastal waters (as described in the MSFD).

The recreational boating industry will therefore have a substantial interest in key areas such as non-indigenous species, invasive species, recreational fishing, nutrient input, hydrographical changes, contaminants in sea and seafood, marine litter, energy use including underwater noise or biodiversity & habitats. These areas are all linked to the qualitative descriptors listed in Annex I of the text (referred to in Articles 3(5), 9(1), 9(3) and 24).

Non-indigenous species can threaten marine biodiversity when they become 'invasive'. In EU waters, Member States identify shipping and aquaculture as the two main activities that can lead to the introduction and spread of non-indigenous species. Adherence to the IMO's Biofouling guidelines is recommended.

Invasive species: Measures mentioned by 16 Member States in their programmes often draw on regional work and existing EU law. Some MS have already introduced targeted measures to reduce the risk of introducing non-indigenous species like Sweden, which has introduced a national warning and response system for early detection that will immediately alert authorities when a new non-indigenous species is spotted. ICOMIA and partners need to inform the Swedish Governmental Authorities that with the help and support of the Department of Transport a potential solution can be to follow IMO Guidelines.

Recreational fishing: There must also be good synergies with the requirements of the common fishery policy in their national programmes. Belgium has undertaken measures to target better control and monitoring of recreational fishing via the introduction of a legal measure that makes monitoring simpler and will improve data collection. There is a need for more detailed info and data to determine if it will become a thread for the recreational industry.

Nutrient input will mostly affect marinas. Excessive inputs of nutrients and organic substances into the sea promote algal blooming, leading to eutrophication. While it affects all marine waters in the EU to some extent, its impacts are most notable in the Baltic Sea. Nutrient enrichment has mainly been attributed to agriculture, industry, urban discharge, aquaculture and, to a lesser extent, shipping. Most Member States in the Baltic Sea do not expect to achieve this by 2020, while in the Mediterranean Sea most Member States have indicated that it has already been achieved. Finland is reducing nutrient inputs to the environment by spreading gypsum in fields, reducing the concentration of phosphorus in the soil and thus reducing leaching of phosphorus into freshwater systems.

Hydrographical changes include measures that can potentially affect dredging activities in marinas and yards (as well as sand extraction, desalination or others). Impacts can be seen in changes to sea currents or wave action, tidal regimes, temperature, pH levels, salinity or turbidity and can all adversely affect marine

species and habitats. France is currently developing a guidance document to help the relevant stakeholders assess the cumulative impacts of human activities. This will be particularly relevant for hydrological pressures, for which cumulative impacts have until now rarely been addressed.

Contaminants in the sea and in seafood: It is important for both environmental and human health reasons to ensure that the levels of contaminants in the marine environment remain low, so that marine life is not affected. In discussions related to heavy metals several MSs stated that historical pollution is one of the sources of contamination. Emissions from Recreational Craft (AF's Coatings etc.) could be a contributor too. Poland has adopted a mix of measures to target different contaminants, includes measures that regulate contaminants such as dredged materials, paraffin and their derivatives. It is also embarking on a reconstruction of its storm water and sewage systems, while introducing measures to reduce contaminants from water discharged from the exhaust treatment systems. Other measures include plans to modernise its inland waterway fleet or permitting provisions for discharging industrial waste water.

Marine litter is a pressure on the marine environment that potentially affects the seafloor and beaches. To fight marine litter, MD draw on a number of existing EU laws on waste management, urban waste water or port reception facilities, as well as on international agreements. In the fisheries sector the most common measures are beach clean-ups, 'fishing for litter' and communication initiatives. While these have a modest impact on reducing the pressure, they help to raise awareness. France has two noteworthy measures for marine litter. The first one is part of the national waste prevention programme and consists of extending producers' responsibility; limiting certain products, such as single-use plastic bags; promoting voluntary actions to reduce and recycle marine litter; and aligning regional litter prevention and management plans with the water and marine policy tools, the port waste reception and treatment plans. The second measure tackles shellfish aquaculture, an activity which can be a significant source of litter.

Energy, including underwater noise (in the form of heating and electricity systems, noise, electromagnetic radiations, radio waves or vibrations) can also be a pressure on the marine environment. So far, most Member States have focused their efforts on underwater noise, which may come from shipping, boating, marine research, etc. Measures being taken include protecting specific areas from both impulsive and continuous noise; developing 'eco-friendly' ships or limiting the use of certain types of lights on oil and gas platforms. Cyprus has reported a measure that addresses impulsive underwater noise by requiring 'soft-start/slow-start' conditions in the exploration and exploitation of hydrocarbons.

Marine biodiversity potentially affects marine spatial planning. Avoiding the negative impacts of pressures on the marine environment should improve conditions for marine species and habitats Member States have measures that deal with various marine habitats, such as spatial protection measures, although these are limited in spatial scope and may not be targeting areas where pressures are most predominant (e.g. seabed trawling outside protected areas).

Water column and seabed habitats are mostly focused on management plans for marine protected areas, the implementation of the Habitats Directive's Natura 2000

Network and the adoption of other national spatial protection. Sweden has strongly linked its biodiversity measures to tackle specific pressures in water column habitats, addressing commercial fish and shellfish through fishing regulations and management, marine protected areas and seasonal closure areas; Eutrophication by reducing long-term nutrient load locally in eutrophic bays and in the Baltic Sea; Contaminants, by managing the discharge of hazardous substances, such as antifouling substances and sewage; And non-indigenous species through indirect measures that include awareness-raising, management plans and risk-reduction measures. 4 MSs noted that damage is also caused by recreational activities including recreational boating. Various human activities have the potential to impact the seabed, particularly through physical disturbance, the most widespread being bottom-trawl commercial fishing. Seabed damage may also occur through recreational activities, such as the anchoring of recreational boats or recreational fishing. Spain for instance has introduced guidelines for recreational marine activities

Having a fundamental interest in coastal waters, ICOMIA and its members should therefore keep abreast of any developments related to the MSFD, including future consultations and other political developments that could somehow affect the current framework of action for the MSFD.

Next steps

The Commission is expected to review the MSFD, probably during the next European Commission legislature. The Directive obliges Member States to develop a Marine Strategy for European waters, requiring an assessment of current status and human impact, then establishment of targets. The Directive also requires Member States to take the necessary measures to achieve or maintain good environmental status in their marine environment by the year 2020.

Key stakeholders

Within the European Commission, the key unit is in DG ENV — Directorate-General for Environment - Unit C2, Quality of Life - Marine Environment and Water Industry

- Matjaž MALGAJ - Head of Unit
- M. SPONAR - Deputy Head of Unit
- Fabio PIROTTA - Team Leader - Policy assistance / Marine Protection

5. WATER FRAMEWORK DIRECTIVE, GROUNDWATER DIRECTIVE AND BATHING WATER DIRECTIVE

Background

The [Water Framework Directive](#) is a European Union directive which commits European Union Member States to achieve good qualitative and quantitative status of all water bodies (including marine waters up to one nautical mile from shore) by 2015. It is a framework in the sense that it prescribes steps to reach the common goal rather than adopting the more traditional limit value approach. Much progress has been made in water protection in individual Member States, but also in tackling significant problems at European level. However, it is worth noting that the Directive's aim for 'good status' for all water bodies will not be achieved, with 47% of EU water bodies covered by the Directive failing to achieve the aim.

There have already been 4 implementation reports released (2007, 2009, 2012 and 2015). The latest implementation report compiled an assessment of the Water Framework Directive Programmes of Measures and the Flood Directive, and was adopted on 9 March 2015. It consisted of the following documents:

- A Commission Communication: "[The Water Framework Directive \(WFD\) and the Floods Directive \(FD\): Actions towards the 'good status' of EU water and to reduce flood risks](#)"
- A European Overview – 2 Commission Staff Working Documents on the [WFD Programmes of Measures](#) (including specific recommendations for each Member State as a result of the Commission's assessment) and on the [Floods Directive](#).
- 5 Assessments of the River Basin Management plans of [Belgium](#), [Greece](#), [Spain](#), [Portugal](#) and [Croatia](#).
- A report was released by the European Environmental Agency, on the quality of drinking and bathing water in Europe, titled "[European water policies and human health — Combining reported environmental information](#)", which again states that Member States will need to coordinate and implement the requirements of the Directive.

On a further note, the [Groundwater Directive](#) establishes a regime that sets underground water quality standards and introduces measures to prevent or limit inputs of pollutants into groundwater. It sets out criteria for assessing the chemical status of groundwater; criteria for identifying significant and sustained upward trends in groundwater pollution levels, and for defining starting points for reversing these trends and provisions preventing and limiting indirect discharges (after percolation through soil or subsoil) of pollutants into groundwater.

Moreover, the European Union's revised [Bathing Water Directive \(2006/7/EC\)](#) came into force in March 2006 and replaced the older BWD and complementing the current WFD. The overall objective of the revised directive is the protection of public health, but it also offers an opportunity to improve management practices at bathing waters and to standardise the

information offered to bathers across Europe. It introduces a new classification system with more stringent water quality standards and puts an emphasis on providing information to the public through the so-called bathing water profiles (these profiles contain for instance information on the kind of pollution and sources that affect the quality of the bathing water and are a risk to bathers' health). It also requires Member States to monitor and assess the bathing water for at least two parameters of (faecal) bacteria. The present Directive also complements other water-related policies, namely the Water Framework Directive, under which bathing waters are one of the Protected Areas and the Marine Strategy Framework Directive (MSFD), in contributing to reaching "good environmental status" by 2020.

Latest developments

As the EU Water Framework has been defined via the **Water Framework Directive**, each Member State is required to adopt national transposition measures – which incorporate the obligations of the directive into national law. The *de facto* application of these Directives will be put into writing with the so-called Implementation Reports. However, these implementation reports can only be delivered by the Commission whenever they compile the necessary information that needs to be provided by Member States themselves, such as the River Basin Management Plans. Currently, a handful of states have not implemented the RBMP yet, making it impossible for the Commission to advance in the implementation report of the WFD. According to one of the responsible policy officers for the implementation of the Directive, Mr. Parenti, from Unit C1 (Water) DG ENVI, Member States need to take action promptly so that the Commission can continue making its assessment of the WFD.

Recently, the [5th European Water Conference](#) took place in Vienna, organised by the European Commission and the Austrian Presidency of the Council of the EU. According to the Commission's [press release](#), there is a clear case for more integrated water management in Europe. The aim of this event was, among others, to discuss with national experts and stakeholders the state of the implementation of the WFD and its ongoing evaluation.

According to the press release, some of the main takeaways from the conference include:

- EU Member States need to step up efforts to restore, maintain and improve the state of EU waters, by applying EU water legislation. This requires greater investments in water infrastructure and water-related measures, by using public, private and EU sources.
- The example of ongoing efforts to save the sturgeon in the Danube and the salmon in the Rhine – both flagship species and indicators of good water status – demonstrate how combining political, legal and financial means, including EU funds, at all levels and across borders can yield far-reaching results in terms of restoring habitats and migration routes.
- Structural problems remain, including pollution from agriculture or insufficiently treated waste water, damaging physical changes to rivers and lakes and over-abstraction of water. These problems can,

amongst others, be tackled when assessing the overall “fitness” of EU Water legislation.

Based on the results of the conference and the ongoing [public consultation](#), the Commission would present the fifth Implementation Report on the evaluation of the Water Framework Directive in the second half of 2019. The consultation, which will run until 4 March 2019, aims to collect stakeholders' views on whether the Water Framework Directive, its so-called "daughter-Directives" (the Groundwater Directive and the Environmental Quality Standards Directive) and the Floods Directive have met their intended objectives. In particular, the consultation aims to collect as many views as possible on how EU water legislation has brought about changes to the sustainable management of water and improvement in the state of water bodies. The consultation aims to gather both general views from the public and more detailed information and opinions from national authorities, experts and private entities in charge of implementation on the specificities of the Directives. According to the Commission, the consultation is intended to go beyond just implementation and collect opinions on the functioning and interactions of the different Directives, as well as the costs and benefits that the different stakeholders attach to them.

Furthermore, the Commission is expected to review Annex I and II (which establish the groundwater quality standards for the purpose of assessing chemical status as required by Article 4 and lay down the threshold values for groundwater pollutants and indicators of pollution, respectively) to the **Groundwater Directive (GWD)**. According to the Commission's roadmap on the evaluation the Commission is expected to complete this by fitness check by 2019. According to Article 10, the Commission is required to review Annex I and Annex II to the Directive every six years. The first review took place in 2013 and led to the adoption of certain technical adaptations of Annex II. The Commission is now required to carry out a second review of the Annexes by 2019. While carrying out the review, the Commission is expected to take into account the results of monitoring programmes under the Common Implementation Strategy (CIS) established under the WFD.

There have been no key developments lately related to the **Bathing Water Directive**, although it is worth outlining that there was an external study commissioned by the EC on the benefits of the enforcement of EU Environmental legislation. The study (carried out by Milieu Ltd) provides an evaluation of the effects of the enforcement action pursued by the Commission on the implementation of EU Environmental Law in Member States. In order to provide an evaluation, the contractor proposes a methodology to assess the impact of the enforcement policy of the Commission in both qualitative and quantitative terms.

This methodology was developed based on a case-by-case analysis of a selection of 244 infringement cases brought by DG Environment between 1994 and 2014 against the EU-15 oldest Member States. These cases relate to non-compliance with ten directives in five environmental sectors, including the BWD and others such as the Landfill Directive, Waste Framework Directive, Urban Waste Water Treatment Directive, etc. According to the

results of the study, the enforcement action by the Commission brings benefits beyond the simple reduced loss from infringement in the case at hand. In this regard, the contractor noted that benefits to citizens, duty-holders, and the society as a whole could also be observed.

On a further note, Logos has found that **the Commission may revise technical guidelines on deriving environmental quality standards (EQS) for priority substances in water**. The expected Commission Technical Guidelines would revise Guidance Document 27 on Deriving EQS aimed to facilitate the implementation of Article 3 of the Environmental Quality Standards Directive on priority substances in the field of water policy. EQSs are based on effects assessments for individual substances or groups of substances in relation to the environment and human health. They are derived for Priority and Priority Hazardous Substances under the WFD and apply across the EU, determining the 'chemical status' of surface water bodies. They are also derived for nationally identified River Basin Specific Pollutants, in part determining the 'ecological status' of surface water bodies.

The Commission's Joint Research Centre also released a Technical Paper on the Modes of action of the current Priority Substances list under the Water Framework Directive and other substances of interest, which you can find [here](#).

Relevance for marine sector

Regarding the applicability of the Directive, it is clear that it covers all ranges of water in which ICOMIA's members have an activity. This means that the WFD can have significant implications for recreational boating, both for ongoing activities such as dredging and disposal, and for new development proposals. One of the main issues that the WFD deals with is the discharge of polluting substances.

It is also very important to highlight that considering the political reorganisation of several legislative initiatives including REACH, BPR and others, the Water Framework Directive appears to be dominating these other texts. Thus, developments in all legislative and regulatory sectors that are somehow related to water will be subject to the key premises established in the WFD.

According to the Directive, Community water policy should be based on a combined approach using control of pollution at source through the setting of emission limit values and of environmental quality standards. Moreover, common environmental quality standards and emission limit values for certain groups or families of pollutants should be laid down as minimum requirements in Community legislation.

This wording is exactly what the original text proposes, without any further clarifications regarding the source of the pollution. Therefore one could assume that "this pollution at source" should be considered at a horizontal level (coming from any source). The legal text also reads that pollution through the discharge, emission or loss of priority hazardous substances must cease or be phased out. Penalties are foreseen to those cases that pose breaches of the national provisions adopted pursuant to this Directive.

There is a special stress on groundwater, with a prohibition on direct discharges to groundwater, and (to cover indirect discharges) a requirement to monitor groundwater bodies so as to detect changes in chemical composition, and to reverse any anthropogenically induced upward pollution trend.

Below you can find a list of the main pollutants which appear in the WFD.

ANNEX VIII - INDICATIVE LIST OF THE MAIN POLLUTANTS

1. Organohalogen compounds and substances which may form such compounds in the aquatic environment.
2. Organophosphorous compounds.
3. Organotin compounds.
4. Substances and preparations, or the breakdown products of such, which have been proved to possess carcinogenic or mutagenic properties or properties which may affect steroidogenic, thyroid, reproduction or other endocrine-related functions in or via the aquatic environment.
5. Persistent hydrocarbons and persistent and bioaccumulable organic toxic substances.
6. Cyanides.
7. Metals and their compounds.
8. Arsenic and its compounds.
9. Biocides and plant protection products.
10. Materials in suspension.
11. Substances which contribute to eutrophication (in particular, nitrates and phosphates).
12. Substances which have an unfavourable influence on the oxygen balance (and can be measured using parameters such as BOD, COD, etc.).

Regarding the **Bathing Water Directive**, the legal text describes pollution as “the presence of microbiological contamination or other organisms or waste affecting bathing water quality and presenting a risk to bathers' health”, which could also mean ‘short-term pollution’, or microbiological contamination as referred to in Annex I, column A, (faecal matter).

The potential implications for ICOMIA resulting from this Directive appear to be rather limited as it focuses on bacterial pollution. There is reference made to other potential pollution sources in the last EEA 2016 report but only to “pollution from sewage, water draining from farms and farmland or animals and birds on or near beaches” rather than any fuel-related pollution. ICOMIA should therefore simply monitor any potential amendment or change of focus in the implementation and monitoring of the Directive which may lead to take into account other elements.

Next steps

The Commission Report on the implementation of the **Water Framework Directive (WFD)** would aim to understand the development that the Directive has brought about to contribute to a sound water management in Member States and at the EU level, evaluating the progress in the implementation of the Directive and the status of surface water and groundwater as well as a survey of the river basin management plans submitted by Member States, including suggestions for the improvement of future plans. Currently, the Commission is expected to present it by the end of 2018. Once published, the Report will be sent to the European Parliament and the Council which may decide to formally respond to it in the following months. However,

considering the European Parliament's elections scheduled for May 2019, a response from this Parliament seems unlikely. The European Parliament would respond through the adoption of an Own-initiative Resolution, while the Council would adopt Conclusions in response to the Report.

Plus, the Commission is expected to review the **Bathing Water Directive**. The expected Commission Review would focus on the parameters for bathing water quality, including whether it would be appropriate to phase out the "sufficient" classification or modify the applicable standards. The review could be accompanied by legislative proposals. The future Review is required by Article 14 of the Bathing Water Directive. The Bathing Water Directive sets out rules for the monitoring and classification of bathing water quality; the management of bathing water quality; and the provision of information to the public on bathing water quality.

As regards the **Groundwater Directive**, the Commission is expected to review Annex I and II to the Groundwater Directive by 2019.

Key stakeholders

The relevant Directorate for the WFD is DG ENVI - Dir C Quality of Life, Water and Air, Unit 1. Water. As the implementation of the WFD is extremely horizontal and covers all Member States, there is a large number of EC officials dealing with this piece of legislation:

- MISIGA Pavel - Head of Unit
- RODRIGUEZ ROMERO J. - Deputy Head of Unit
- CAPITAO J. - Policy Officer - Implementation WFD
- ALVARELLOS L. - Policy Officer - Implementation WFD
- MCCAMP HILL C. - Policy Officer - Implementation WFD
- PARENTI A. - Policy Officer - Implementation WFD

6. COMMISSION REVISION OF REGULATION (EU) 2015/757 ON THE MONITORING, REPORTING AND VERIFICATION OF CO₂ EMISSIONS FROM MARITIME TRANSPORT

Background [European Parliament and Council Regulation \(EU\) 2015/757](#) on the monitoring, reporting and verification (MRV) of CO₂ emissions from maritime transport entered into force on 1 July 2015.

This text lays down rules for the accurate monitoring, reporting and verification of carbon dioxide (CO₂) emissions and of other relevant information from ships arriving at, within or departing from ports under the jurisdiction of a Member State, in order to promote the reduction of CO₂ emissions from maritime transport in a cost effective manner. The Regulation amends Directive 2009/16/EC on port State control.

This Regulation applies to ships above 5 000 gross tonnage in respect of CO₂ emissions released during their voyages from their last port of call to a port of call under the jurisdiction of a Member State and from a port of call under the jurisdiction of a Member State to their next port of call, as well as within ports of call under the jurisdiction of a Member State. The MRV system shall not apply to: warships, naval auxiliaries, fish catching or processing ships, wooden ships of a primitive build, ships not propelled by mechanical means as well as to government ships used for non-commercial purposes.

Under the Regulation, among other things:

- The annual CO₂ emissions calculation shall be based on fuel consumption and fuel type and energy efficiency;
- The Commission is given the power to adopt delegated acts to amend the methods for the monitoring and reporting, as well as to refine the elements of the monitoring methods in light of technological and scientific developments;
- Companies shall check at least once a year whether the ship's monitoring plan reflects the nature and the functioning of the ship and whether the monitoring methodology can be improved;
- From 2019, by 30 April of each year, companies shall submit to the Commission and to the authorities of the flag States concerned, an emissions report concerning the CO₂ emissions and other relevant information for the entire reporting period for each ship under their responsibility;
- Member States shall set up a system of penalties for failure to comply with the monitoring and reporting obligations and shall take all the measures necessary to ensure that those penalties are imposed; and
- Protection of commercial interests is guaranteed by limiting the disclosure of information which would exceptionally undermine the protection of commercial interest deserving protection as a legitimate economic interest in accordance with Regulation 1367/2006 on the application of the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental matters to EU institutions and bodies

The Commission [public consultation](#) on the expected proposal revising EU rules on the monitoring, reporting and verification of CO₂ emissions from maritime transport closed on 1 December 2017 (launched on 8 September 2017). With the public consultation, the Commission aimed to gather stakeholder input on the possible alignment of the EU MRV with the legal framework for the global data collection system (DCS) set by the International Maritime Organisation (IMO) in June 2017.

The questionnaire attached to the public consultation focused on the following main aspects:

(1) **Policy options:** The Commission proposes to stakeholders three possible policy options for the alignment between EU MRV and IMO DCS: No alignment, Full alignment and Partial alignment.

(2) **Priorities in the potential alignment process:** The Commission exposes to the respondents five main differences between EU MRV and IMO DCS and asks how these aspects could be potentially aligned. These diverging aspects are: scope of application of the two systems, parameters to be monitored, verification system and the responsible authorities that have to perform it, level of transparency of the data collected and monitoring activities and use of templates while reporting.

The results of the public consultation are expected to feed into the forthcoming proposal (discussed in the section below).

Latest developments

The Chair of the European Parliament's Environment, Public Health and Food Safety (ENVI) Committee is expected to write to the Commission to present the forthcoming legislative proposal revising EU rules on the monitoring, reporting and verification of CO₂ emissions from maritime transport within the following months, as decided in an ENVI Coordinators meeting in April. At that meeting, the Coordinators were also expected to appoint a Rapporteur for the forthcoming proposal. However, Coordinators decided not to do so due to the uncertainty regarding the presentation date of the proposal.

The Commission had previously clarified that the expected legislative proposal would be presented by the end of 2018. However, in light of the above-mentioned developments, it appears that the Commission might not be able to do so, looking at Q1 2019 as a more realistic date. The expected Commission proposal would revise Regulation (EU) 2015/757 on the monitoring, reporting and verification of CO₂ emissions from maritime transport. The Commission is expected to revise the Regulation with the view of a possible alignment with the new global data collection system for fuel consumption by ships recently adopted by the International Maritime Organisation (IMO).

Moreover, the Commission is expected to present an annual Report on CO₂ emissions and other relevant information from maritime transport in 2019. The expected Commission Report would be on CO₂ emissions and other

relevant information from maritime transport, including aggregated and explained results. The aim of the Report would be to inform the public and to allow for an assessment of the CO₂ emissions and the energy efficiency of maritime transport per size, type of ships, activity, or any other category deemed relevant. The Report is required by Article 21(4) of the Regulation.

Relevance for marine sector

As stated above, this Regulation does not apply to warships, naval auxiliaries, fish-catching or fish-processing ships, wooden ships of a primitive build, ships not propelled by mechanical means, or government ships used for non-commercial purposes.

It only applies to ships above 5000 gross tonnage in respect of CO₂ emissions released during their voyages from their last port of call to a port of call under the jurisdiction of a Member State and from a port of call under the jurisdiction of a Member State to their next port of call, as well as within ports of call under the jurisdiction of a Member State. In this regard, 'voyage' means any movement of a ship that originates from or terminates in a port of call and that serves the purpose of transporting passengers or cargo for commercial purposes.

As ICOMIA's interests are mostly recreational, the key aspect to consider would be the potential cascading initiatives that could arise as a result of the development of increasingly restrictive CO₂ regulations for the maritime sector.

Next steps

A Commission official from DG CLIMA B3 has confirmed that the expected legislative proposal is currently undergoing internal discussions. The Commission will most likely present it by Q1 of 2019. The European Parliament would then select the Parliamentary Committee responsible (most likely the ENVI Committee) for the file. The Committee will then nominate the Rapporteur responsible for preparing the draft Report, which contains amendments to the proposal. The draft Report would then be discussed by the Committee, following which MEPs may submit amendments. The Committee would subsequently vote on the draft Report and amendments. In parallel, Council experts are also expected to meet over the coming months and examine the proposal, in order to prepare the Council's internal position (General Approach). Once both the European Parliament's Committee and the Council have finalised their position on the proposal, informal negotiations with the aim of reaching a first reading agreement on the proposal are then expected to begin. Any resulting compromise would need to be approved by the European Parliament and by the Council.

Key stakeholders

The responsible unit for this file is DG CLIMA's Unit B3 — European and International Carbon Markets - International Carbon Market, Aviation and Maritime:

- Laurence GRAFF - Head of Unit
- M. HESSION - Policy Officer - Carbon market mechanisms and GHG reductions in maritime transport
- C. MICALLEF-BORG - Policy Officer - International shipping, emission reduction strategy (IMO)

SECTION II – Other Relevant EU Policies

1. COMMISSION PROPOSAL FOR A DIRECTIVE AMENDING DIRECTIVE 2004/37/EC ON THE PROTECTION OF WORKERS FROM THE RISKS RELATED TO CARCINOGENS AND MUTAGENS AT WORK

Background [Directive 2004/37/EC](#) of the European Parliament and of the Council on the protection of workers from the risks related to exposure to carcinogens or mutagens at work (Sixth individual Directive within the meaning of Article 16(1) of Council Directive 89/391/EEC) was published in 2004. As shown below, this text has seen **three updates** in recent years in the form of amendments.

The base text states that the employer shall assess and manage the risk of exposure to carcinogens or mutagens. This process shall be renewed regularly and data shall be supplied to the authorities upon request. Special attention should be paid to investigate and take account of all possible ways of exposure, and to persons at particular risk. Workers' exposure must be prevented. If replacement is not possible, the employer shall use a closed technological system. The employer shall reduce the use of carcinogens or mutagens by replacing them with a substance that is not dangerous or less dangerous. Wherever a carcinogen or mutagen is used, the employer shall:

- Limit the quantities of carcinogens or mutagens at the place of work;
- Keep the number of workers exposed as low as possible;
- Design the work processes so as to minimise the substance release;
- Evacuate carcinogens or mutagens at source
- Use appropriate measurement procedures (especially for early detection of abnormal exposures in the event of unforeseeable events or accidents);
- Apply suitable working procedures and methods;
- Use individual protection measures if collective protection measures are not enough;
- Provide the necessary hygiene measures (regular cleaning);
- Keep workers informed about related issues;
- Demarcate risk areas and use adequate warning and safety signs (including "No smoking" signs);
- Draw up emergency plans;
- Use sealed and clearly/visibly labelled containers for storage, handling, transportation and waste disposal.

Employers shall make certain information available to the competent authority upon request (activities, quantities, exposures, number of exposed workers, preventive measures) and inform workers if abnormal exposure has happened. Member States shall establish arrangements for health surveillance of workers if there is a risk to their health and safety. If a worker is suspected of suffering ill-health due to exposure, then the subsequent health surveillance of other exposed workers may be required, and the risk shall be reassessed.

Information and advice must be given to workers regarding any health surveillance that they may undergo following the end of exposure. Workers shall have access to the results of the health surveillance that concern them. Workers concerned, or the employer, may request a review of the results of the health surveillance. All cases of occupational cancers shall be notified to the competent authority. Records shall be kept for at least 40 years following the end of exposure, and transferred to the authority concerned if the firm ceases to exist.

Moreover, back In 2017, the European Commission launched a Communication under the title "[Safer and Healthier Work for All – Modernisation of the EU OSH Legislation and Policy](#)". Generally speaking, the Communication sets out new principles for a modernised EU Occupational Safety and Health policy and legislation, The Communication included the next steps that the Commission will take with regards to possibly revising the current EU acquis based on the results of the evaluation study and fitness check of EU OSH legislation. Further actions include: **fighting occupational cancer and dealing with dangerous chemicals**; Helping businesses comply with OSH rules; Removing/updating outdated rules and refocussing efforts on facilitating compliance to ensure a broader coverage of people and better enforcement.

Latest developments

As mentioned above, there have been **three recent amendments** to the original text.

The **first amendment** to EU rules on occupational exposure to carcinogens and mutagens entered into force on 16 January 2018. The new text was published in the EU's Official Journal on 27 December 2017, amending Directive 2004/37/EC to bring it into line with scientific progress. According to Directive, the key changes to the current framework include:

1. Health surveillance (Article 14(1) and (8)): Requires Member States to carry out relevant health surveillance of workers for whom the results of the assessment referred to in Article 3(2) reveal a risk to health or safety. All cases of cancer identified as resulting from occupational exposure to a carcinogen or mutagen must be notified to the competent authority

2. Evaluation and review (New Article 18a): The Commission will, as part of a future evaluation of the implementation of the Directive (third Amendment), assess modifying the limit value for respirable crystalline silica dust and if appropriate, propose the necessary amendments. Taking into account the latest developments in scientific knowledge, the EC will also assess amending the scope of the Directive to include reprotoxic substances no later than in the first quarter of 2019 and submit a proposal if appropriate.

3. Respirable crystalline silica dust: Includes a new entry for occupational exposure to respirable crystalline silica dust produced by a work process in Annex I to the Directive by adding a new point to Annex I '6. Work involving exposure to respirable crystalline silica dust generated by a work process'. The new limit value is introduced in Annex III.

4. Annex III: It is replaced by the text in the Annex to the Directive. Specifically this introduces a number of changes to:

4.1 Existing limit values in Annex III for two substances in the light of available scientific data:

4.1.1 Hardwood dust (2 mg/m³) - The distinction between hardwood and soft wood dust will be further assessed. As mixed exposure to more than one species of wood is very common, the limit value set in Annex III for hardwood dusts applies to all wood dusts present in that mixture. An exposure limit value of 3mg/m³ applies for five years after the entry into force of the Directive and thereafter of 2mg/m³.

4.1.2 Vinyl chloride monomer (2.6 mg/m³, 1 ppm).

4.1.3 Benzene (0.325mg/m³, 1 ppm, with skin notation) - no change to the previous entry.

4.2 Replaces Annex III with a new Annex listing the new limit values for carcinogenic substances, including 11 new entries:

4.2.1 1,2-Epoxypropane (2.4 mg/m³, 1 ppm);

4.2.2 1,3-Butadiene (2.2 mg/m³, 1 ppm);

4.2.3 2-Nitropropane (18 mg/m³, 5 ppm);

4.2.4 Acrylamide (0.1 mg/m³ with skin notation);

4.2.5 Bromoethylene (4.4 mg/m³, 1 ppm);

4.2.6 Chromium (VI) compounds (0.005 mg/m³);

4.2.7 Ethylene Oxide (1.8 mg/m³, 1 ppm, with skin notation);

4.2.8 Hydrazine (0.013 mg/m³, 0.01 ppm, with skin notation)

4.2.9 o-toluidine (0.5 mg/m³, 0.01 ppm, with skin notation)

4.2.10 Refractory ceramic fibres (RCF) (0.3 f/mL)

4.2.11 Respirable crystalline silica dust (0.1 mg/m³.)

The [second amendment](#), was proposed in January 2017 and has gone through the European Parliament's EMPL Committee. Currently, inter-institutional (trilogue) negotiations are ongoing. However, MEP Claude Rolin (EPP, BE), as Rapporteur of the file has confirmed that the next trilogue meeting is not scheduled yet. Thus, the next trilogue meeting is expected take place in late September or in October 2018. If an agreement is reached, then the resulting compromise text will then need to be approved by the EMPL Committee and then submitted to plenary for approval.

The proposal for a Directive would amend the Carcinogens and Mutagens Directive to introduce new Occupational Exposure Limits (OELs) for 8 priority chemical agents to which workers are exposed to, with the aim of improving occupational health by reducing exposure to carcinogenic chemical agents.

The proposal suggests:

1. Adding a new point in Annex I to include work involving exposure to mineral oils that have been used in internal combustion engines, including, marine engines, automobile and motorcycle engines, diesel rail engines aeroengines, and in engines in portable machinery. Annex III is also amended to add a skin notation for these substances.

2. Adding the following limit values for carcinogenic substances:

- Trichloroethylene (54,7mg/m³, 10ppm TWA; 164,1mg/m³, 30 ppm for STEL with skin notation);
- 4,4'-Methylenedianiline (0,08mg/m³ for TWA with skin notation);
- Epichlorohydrine (1,9mg/m³ TWA with skin notation);
- Ethylene dibromide (0,8mg/m³, 0,1ppm for TWA with skin notation);
- Ethylene dichloride (8,2mg/m³, 2ppm for TWA with skin notation);
- Polycyclic aromatic hydrocarbons mixtures containing benzo[a]pyrene (with skin notation);
- Mineral oils that have been used in internal combustion engines and in engines in portable machinery (with skin notation);
- Benzene (with skin notation).

The [third amendment](#) was presented by the European Commission in April 2018. The European Parliament's Employment and Social Affairs Committee (EMPL) has postponed its discussions on the text to October.

This third proposal would amend Annex III to Directive 2004/37/EC to set Occupational Exposure Limit Values (OELs) for chemical substances assessed in 2017 - 2018 and not included in the first or second amendments to Annex III.

The proposal adds the following new entries to Annex III:

- Cadmium and its inorganic compounds: 8h – TWA 0,001mg/m³; Transitional measures: Limit value 0,004 mg/m³ for 7 years;
- Beryllium and inorganic beryllium compounds: 8h – TWA 0,0002mg/m³ with dermal and respiratory sensitisation notation; Transitional measures: Limit value 0,0006 mg/m³ for 5 years;
- Arsenic acid and its salts, as well as inorganic arsenic compounds: 8h – TWA 0,01mg/m³ and for the copper smelting sector the limit value will come into force in 2 years;
- Formaldehyde: 8h – TWA 0,37mg/m³, 0,3ppm; STEL 0,738mg/m³, 0,6ppm with dermal sensitisation notation;
- 4,4'-Methylene-bis(2-chloroaniline): 8h – TWA 0,01mg/m³ with skin notation.

Relevance for marine sector

Considering that the European Commission and the European Agency for Safety and Health at Work are more and more adamant regarding exposure to carcinogenic chemicals at the workplace, ICOMIA members falling under the scope of the amendments to the Carcinogens and Mutagens Directive should carefully monitor the levels of chemicals that their workers could be exposed to.

Political developments especially in what concerns Amendment II and the addition of work involving exposure to mineral oils that have been used in marine engines should obviously be carefully followed. The Draft Report on Amendment II put forward by the European Parliament's EMPL Committee didn't make any specific mention to marine engines, but it did add a whole new paragraph on diesel engines.

Basically, the Rapporteur (MEP Rolin, EPP, BE) stated that there is sufficient evidence of the carcinogenicity of diesel engine exhaust emissions arising from the combustion of diesel fuel in compression ignition engines. He took note of the reasons given by the Commission in its Impact Assessment for choosing not to include exhaust gases from diesel engines in Annex I to Directive 2004/37/EC and not to impose any corresponding exposure limit value in Annex III. However, in his view it is necessary to recall that, according to the Institute of Occupational Medicine, 3.6 million workers in the EU are potentially exposed to diesel engine exhaust above background levels and that the geometric average of the estimated exposure is $13\mu\text{g}/\text{m}^3$ (or $0.013\text{ mg}/\text{m}^3$). Therefore, and on the basis of Recital 14 of Directive 2004/37/EC stating that the precautionary principle should be applied to the protection of workers' health, the rapporteur recommends considering emissions from all diesel engines, without distinguishing between them.

If this were to go through in the European Council, this would mean that any ICOMIA member whose workforce operates with or around diesel engines would fall under this modification to the Directive.

Next steps

Regarding the **first amendment**, as the Directive is already in force, Member States have until 17/01/2020 to transpose the new rules into national law.

On what concerns the **second amendment**, trilogue negotiations are expected to continue in late October 2018. If an agreement is reached, then the resulting compromise text will then need to be approved by the EMPL Committee and then submitted to plenary for approval. The Directive would then be adopted by the Council, without debate and then be published in the EU's Official Journal before entering into force. If, however, the trilogue negotiations are unsuccessful the Parliament will adopt its position, and the proposal will then be sent to the Council for discussion. The Council would aim to reach a political agreement on the proposal which would then be formally adopted as the Common Position. The proposal would then go to a second reading.

The **third amendment** will continue to be discussed by the Council's Working Party on Social Questions with a view to preparing the Council's internal position. The Council is scheduled to discuss their general approach during the Employment, Social Policy, Health and Consumer Affairs Council meeting to be held on 11 October 2018.

The European Parliament's Employment and Social Affairs Committee (EMPL) MEPs had until 11 September to table amendments to the draft Report. They are scheduled to discuss the tabled amendments during their meeting to be held over 8 October. EMPL Committee MEPs are then scheduled to adopt the Report on 20 November 2018.

Once the Report is adopted in the Committee, the trilogue negotiations with the Council are expected to take place. Due to the parliamentary term ending mid-2019, negotiations are expected to continue during the new term. I.e. Q2 2019. Should the proposal be adopted, Member States would have 2 years

to transpose the new rules into national law following the entry into force of the new amended Directive.

Key stakeholders

The key unit dealing with this file is DG EMPL's B3 – Health & Safety at Work.

- Zinta PODNIECE - Acting Head of Unit
- Charlotte GREVFORS ERNOULT - Head of Unit
- L. GIEDRAITYTE - Policy Officer - OSH Committees and International relations team
- A. J. MORRIS - Policy Officer - Risk management policy team (chemicals at work)
- L. VICENTE - Policy Officer - Risk Management Policy team (chemical issues)

Considering that Amendment I is already into force, below you will find the European Parliament's key players for:

Amendment II: European Parliament EMPL Committee

Rapporteur: Claude Rolin (EPP, Belgium) / Shadow Rapporteurs: Marita Ulvskog (S&D, Sweden), Anthea McIntyre (ECR, UK), Enrique Calvet Chambon (ALDE, Spain), Patrick Le Hyaric (GUE/NGL, France), Karima Delli (Greens/EFA), Laura Agea (EFDD, Italy) and Joëlle Mélin (ENF, France).

Amendment III: European Parliament EMPL Committee

Rapporteur Laura Agea (EFDD, Italy) / Shadow Rapporteurs: Claude Rolin (EPP, Belgium), Marita Ulvskog (S&D, Sweden), Anthea McIntyre (ECR, UK), Enrique Calvet Chambon (ALDE, Spain), Patrick Le Hyaric (GUE/NGL, France), Karima Delli (Greens/EFA, France), Joëlle Mélin (ENF, France).

2. EU TIMBER REGULATION

Background [Regulation \(EU\) No 995/2010 of the European Parliament and of the Council of 20 October 2010](#) lays down the obligations of operators who place [timber products](#) (which are listed in its Annex, using EU Customs code nomenclature) on the market. Also known as the EU Timber Regulation or EUTR, it entered into application in 2013 and counters the trade in illegally harvested timber and timber products through three key obligations:

1. It prohibits the placing on the EU market for the first time of illegally harvested timber and products derived from such timber;
2. It requires EU traders who place timber products on the EU market for the first time to exercise '[due diligence](#)';
3. Keep records of their suppliers and customers.

The core of the 'due diligence' notion is that operators undertake a risk management exercise so as to minimise the risk of placing illegally harvested timber, or timber products containing illegally harvested timber, on the EU market. The three key elements of the "due diligence system" are:

- **Information:** The operator must have access to information describing the timber and timber products, country of harvest, species, quantity, details of the supplier and information on compliance with national legislation.
- **Risk assessment:** The operator should assess the risk of illegal timber in his supply chain, based on the information identified above and taking into account criteria set out in the regulation.
- **Risk mitigation:** When the assessment shows that there is a risk of illegal timber in the supply chain, that risk can be mitigated by requiring additional information and verification from the supplier.

The Regulation covers a broad range of timber products including solid wood products, flooring, plywood, pulp and paper. Not included are recycled products, as well as printed papers such as books, magazines and newspapers. The product scope can be amended if necessary. The Regulation applies to both imported and domestically produced timber and timber products. Timber and timber products covered by valid [FLEGT](#) or [CITES](#) licenses are considered to comply with the requirements of the Regulation.

The Regulation is legally binding on all 28 EU Member States, which are responsible for laying down effective, proportionate and dissuasive penalties and for enforcing the Regulation. To ensure cooperation between Member States Competent Authorities and with the European Commission, in order to ensure compliance with the EU Timber Regulation (in the spirit of Article 12 of the EUTR), and to assist the Commission in ensuring uniform implementation of the EUTR and FLEGT Regulation across the European Union, the Commission has set up an **Expert Group on the EU Timber Regulation and the Forest Law Enforcement, Governance and Trade (FLEGT) Regulation**. The Expert Group meets four to five times per year. Regarding the EUTR, it is tasked to exchange information, between the Competent Authorities and with the Commission, on shortcomings detected through the checks referred to in Articles 8(4) and 10(1) of the EUTR and on the types of penalties imposed in accordance with Article 19 of the EUTR, identifying best practices and sharing lessons learnt.

Latest developments

One of the latest key updates regarding the EUTR relates to the Commission's 12-week public consultation on the product scope of the EU Timber Regulation, which closed on 24 April 2018.

The consultation aimed to collect views on possible changes to the product scope of the EUTR. The consultation was structured around the main question whether the current product scope of the EU Timber Regulation should be amended or not, and if yes, to what extent. The consultation was part of an impact assessment which aims to analyse the possible changes to the EU Timber Regulation and to support the drafting of the Commission's possible delegated act.

The Commission is currently analysing possible changes to the EU Timber Regulation product scope. The three different options that are being considered at the moment by the Commission are the following:

1. No change in the product scope;
2. Change by adding some products that contain timber;
3. Change by including all products that contain timber.

The Commission had already presented its plans towards a possible extension of the product scope of the EU Timber Regulation in an inception impact assessment published on 23 January 2017. According to previous reports, the current scope of the Timber Regulation is not optimal, since not all products containing wood are included. The incomplete coverage concerns in particular printed books, newspapers, pictures, manuscripts, typescripts and plans as well as other products such as musical instruments, wooden coffins and seats with wooden frames.

The Commission believes that this incomplete coverage presents a risk of illegally harvested timber and timber products being placed on the EU market. In addition, the Commission notes that this could also influence competitiveness in affected sectors for EU operators. In this context, the Commission considers that a further assessment of the current Timber Regulation product scope is needed to assess if it needs to be changed, and if yes to what extent. In this regard, the Commission presents two options:

- Amending the product scope to include one or more categories of products (CN codes) identified during the evaluation of the Timber Regulation, as well as further relevant categories that may be identified during the assessment; or
- Including all products that may contain timber and, if appropriate, providing for a list of positive exceptions that do not fall under the scope of the Regulation (to be identified during the assessment).

According to the Commission, both options would have a positive impact for the EU operators by creating a level playing field for EU and non-EU operators. However, the extension would result in new obligations and associated costs for operators that put on the EU market timber products that are not yet subject to the current requirements. The costs could be between

EUR 5 000 - 90 000 for developing and operating due diligence system and annual operating costs could be between EUR 1000 and 70 000.

In the past year, a number of Member States have stepped up enforcement efforts against noncompliant operators. A Swedish court handed down an unprecedented penalty to a company that has failed to take measures to comply with the EUTR, following an earlier injunction. In the UK, two British companies were fined for breaching the EUTR, and in the Netherlands, two companies were found guilty of placing teak from Myanmar onto the European market without sufficient due diligence. These decisions signal that EUTR enforcement is beginning to be more effective in certain Member States. Other competent authorities in Denmark or Germany have also taken actions to stop imports of illegally harvested timber from Myanmar. In these two countries, the competent authorities issued injunctions to operators who had not fully complied with the EUTR due diligence requirement. The European Commission has also noted that Belgium has failed to carry out a significant number of verifications since the EUTR entered into force.

Relevance for marine sector

Following a consideration of the products included in the scope of the EUTR, it is quite clear that ICOMIA and its members are affected by the Regulation, considering that timber is an absolutely essential element in what relates to boatbuilding, as it is used in multiple areas, ranging from decks, keels or masts to bulkhead sheathing, engine beads or stringers. At regulatory level, and as included in the next steps section below, ICOMIA members should follow updates in what relates to a potential extension of the product scope.

Moreover, as shown throughout this chapter, the latest developments in the EUTR show that there have been multiple cases of noncompliant operators, as Member States have presumably stepped up their enforcement efforts. Many stakeholders believe that there is currently a huge disparity between how countries monitor operators placing imported timber on the EU market. Some countries importing significant quantities of tropical high-risk timber are carrying out very few checks on companies. The disparity in the number of checks on companies conducted by different countries creates a loophole whereby companies know they will face minimal or no checks in some countries. Many NGOs believe that the only way to close this loophole is by ensuring adequate enforcement across the EU, including the quality and quantity of checks, and adequate follow-up action.

On a further note, following the first waves of EUTR enforcement cases linked to imports from Myanmar, the Ministry of Natural Resources and Environmental Conservation (MONREC) in Myanmar has released statements committing to streamlining their systems. MONREC has been working on developing a comprehensive Timber Legality Assurance System (MTLAS) that will meet international best practice standards.

It goes without saying that ICOMIA members should therefore obviously exercise caution when dealing with timber imports, and carefully execute due diligence processes to ensure that the timber that is imported meets the highest standards and come from legal sources.

Furthermore, a further longer-looking concern particularly regarding teak is that the material will eventually run out. Exports for wood systems and sawn timber entering the EU from Myanmar totalled \$45.1 million in 2015, according to the Milan-based Federlagno Arredo Centre and Conlegno Consortium in Italy. However, this figure could actually be higher, as those cited in the report do not include indirect imports from Myanmar.

One of the alternative options to consider is synthetic teak, whose advantages include greater longevity, and minimal maintenance. Although it has been available for over a decade, recent improvements seem to be winning new customers over. Certain woods (cedar/iroko/certain varieties of oak) may be used for sea-faring vessels, thanks to their flexibility, durability, and ability to withstand deterioration from things like wood rot. Notwithstanding, teak is still considered the best-quality timber for boats thanks to unrivalled durability, stability, and workability.

Next steps

The Commission is currently analysing possible changes to the EU Timber Regulation's product scope. Based on the results of the public consultation closed on 24 April 2018, the Commission will decide whether to go forward with the presentation of a measure revising the Annex to Regulation (EU) No 995/2010. This potential modification would take the shape of a Delegated Act.

Expert Group on EU TR

The European Commission's Expert Group on the EUTR and the FLEGT Regulation's main task is to ensure cooperation between Member States Competent Authorities and with the Commission in order to ensure compliance with EUTR (in the spirit of article 12 of the EUTR), and to assist the Commission in ensuring uniform implementation of the EUTR and FLEGT. Its other duties include the exchange of information on shortcomings detected through the checks referred to in articles 8(4) and 10(1) of the EUTR and on the types of penalties imposed in accordance with article 19 of the EUTR between the Competent Authorities and with the Commission, identifying the best practices and share lessons learned.

The FLEGT/EUTR Expert Group met in Brussels on 19 June 2018. The Group noted recent NGO reports from the Amazon Basin in Brazil relating to overestimated tree densities and links between illegal timber harvesting and violent crimes. They advised that 'Market operators importing from Brazil's natural forests in the Amazon basin should therefore take mitigation measures and not rely only on document checks.'

Following meetings with a Delegation from Myanmar, the Expert Group welcomed recent developments towards increasing transparency and accountability in the supply chain including the Chain of Custody (CoC) dossier and steps taken towards establishing independent third-party verification mechanisms. The level of risk for timber harvested prior to 2017 remains very high, and the Expert Group stresses the continued impossibility to adequately mitigate the risk of illegality when sourcing from Myanmar, due to the very specific circumstances in that country.

Among other items on the agenda, the COM biennial EUTR report will be published soon, the COM FLEGT annual synthesis report for the year 2016

is now available, a draft guidance document on conflict timber was discussed, the outcome of the second meeting of the Central-European EUTR Enforcement Group was presented and there were updates on VPA negotiations with Honduras and Lao PDR and VPA implementation in Indonesia.

**Key
stakeholders**

The relevant staff in the Commission pertains to DG ENVI – Unit F3 Global Sustainable Development - Multilateral Environmental Cooperation

- Emmanuelle MAIRE - Head of Unit
- J. RODRIGUEZ ROMERO - Deputy Head of Unit
- A. ZERVA - Policy Officer - International Forest Policy
- D. PARDO LOPEZ - Policy Officer - International Forestry Policy and Multilateral Environmental Agreements
- L. PEREZ - Team Leader - International Forest Policy
- H. PERIER - International Relations Officer - International Forest Policy

3. EU – US TRADE WAR

Background

The EU's response to Trump's actions up to now has consisted of a three-track approach:

1) Imposing tariffs on imports of certain US products that would match the economic loss suffered by the EU

On the 16th of March, DG TRADE published a document containing a series of American products which you can find [here](#) that the EU will target if U.S. President Donald Trump imposes increased tariffs on EU exports of steel and aluminum. A senior European official said the EU's response list was for "[stakeholder consultations](#)" and added that the total value of American exports targeted could reach €6.4 billion all added together.

The Commission needed to act now to make sure it notified the lists to the WTO within a 90-day deadline, but the decision whether to use the lists would be taken only after three months.

Part A of the list includes products worth €2.8 billion, which the EU can target with tariffs of 25 percent at any moment after notifying the list to the WTO, the official said. Part B lists those products which would only be targeted after three years. This is because World Trade Organization rules allow immediate retaliation only on that amount of trade for which EU steel exports to the U.S. have not increased over the past years. The US already said it would target cars and food products if the EU was to seek compensation. Essentially, there is no change in the EC official approach, namely US tariff increases are economic safeguards and not security measures, therefore breach of WTO safeguard agreement. EC is awaiting UTSR clarification on the criteria for eligibility and carve out. In case of failure, EU will decide safeguards measures and take the US to the WTO appellate body and in parallel it will still work with the US and Japan on Chinese overcapacity issue

In page 5 of the retaliation list, there is a short list of vessels that have been included:

- Sea-going sailboats and yachts with or without auxiliary motor, for pleasure or sports (excluding seagoing vessels)
- Sailboats and yachts, with or without auxiliary motor, for pleasure or sports (other than outboard motor boats).
- Sea-going motor boats and motor yachts, for pleasure or sports (other than outboard motor boats)
- Motor boats for pleasure or sports, of a length smaller than 7,5m (other than outboard motor boats)
- Motor boats for pleasure or sports, of a length greater than 7,5m (other than outboard motor boats)

- Vessels for pleasure or sports, rowing boats and canoes of a weight greater than 100kg each and lower than 7,5m (excluding motor boats powered other than by outboard motors)
- Vessels for pleasure or sports, rowing boats and canoes of a weight greater than 100kg each and greater than 7,5m (excluding motor boats powered other than by outboard motors)
- Vessels for pleasure or sports, rowing boats and canoes of a weight lower than 100kg each (excluding motor boats powered other than by outboard motors)

2) Filing a complaint against the USA at the WTO

The European Union and Canada have requested WTO dispute consultations with the United States regarding US duties on certain imported steel and aluminium products. The requests were circulated to WTO members on 6 June. The EU and Canada claim in their separate filings that the US duties of 25% and 10% on imports of steel and aluminium products respectively are inconsistent with provisions of the WTO's General Agreement on Tariffs and Trade (GATT) 1994 and the Agreement on Safeguards. Further information is available in documents [WT/DS548/1](#) and [WT/DS550/1](#).

3) Protecting EU markets against potential surges in steel and aluminium imports through the adoption of safeguard measures

This was done via [Commission Implementing Regulation \(EU\) 2018/1013](#) imposing provisional safeguard measures with regard to imports of certain steel products, which entered into force on 19 July 2018. The key aspect of the text relates to the establishment of tariff rate quotas (TRQs) on imports into the EU of 23 steel products for a period of 200 days from 19 July 2018. When the tariff quota is exhausted or where imports of the product categories do not benefit from the relevant tariff quota, an additional duty of 25 % of the customs value of the product being imported must be applied. For this purpose, the Commission initiated an investigation in order to determine whether imports of steel products have increased so much that they cause, or threaten to cause, serious harm to EU producers. This investigation will continue until the end of 2018. Depending on the results of its investigation, it may impose definitive safeguard measures by 26 December 2018, with a possible extension of two months until 26 February 2018. The Commission's plan has received overwhelming support by Member States gathered in the Safeguards Committee.

The safeguard measures aim to protect EU markets against potential surges in steel, including increase in imports that would result from US tariffs on imports of steel and aluminium. This is intended to prevent the negative effects of trade diversion, but at the same time maintain traditional supply and effective competition on the EU market. The Commission has also put in place a surveillance system for imports of aluminium to be prepared in case action will be required in that sector.

Latest developments

On July 21st, the US president Donald Trump met with President Juncker and Commissioner Malmström to re-establish an EU-US trade dialogue. Both the US and the EU agreed to:

1. Work toward zero tariffs, zero non-tariffs barriers and zero subsidies on non-auto industrial goods. With a specific focus as well on services, chemicals, pharmaceuticals, medical products and soybeans.
2. Strengthening strategic cooperation with respect to energy, Liquefied Natural Gas from the USA in order to reduce EU energy dependency.
3. Establish a close dialogue on standards to reduce bureaucracy and reduce costs.
4. Tackling unfair global trade practice like subsidies, reform of the WTO, forced technology transfer, industrial subsidies, distortions created by state owned enterprises, and overcapacity.

In order to achieve all of these, the two parties agreed to create an **Executive Working Group of Advisors**. This group will also be in charge of addressing existing tariff measures. The composition and agenda of this group has not been made public yet.

This end of July meeting organized in haste was seen mostly as a signed truce between the US and EU as the Trump administration had a series of other disputes to deal with, including a loaded political agenda ahead of the upcoming midterm elections in the US.

Moreover, the Trump administration has launched a series of trade dispute with other countries and in particular with China. For instance, the US has imposed new tariffs of \$200 billion on Chinese goods which come after the tariffs imposed earlier this year on steel and aluminum. China eventually retaliated with \$60 billion worth of tariffs on US goods.

An agreement was finally found on September 30 with Canada on the renegotiation of NAFTA. The future USMCA, will be replacing the highly criticized NAFTA deal. At least from a media coverage perspective, Trump scored political points, by assuring greater access to the Canadian dairy and poultry market. He also secured an increase in value if vehicles made in North America up to 75%, against 62% now and secured a requirement that 40 to 45 % of each car produced is manufactured by workers earning at least \$16 an hour.

The US's aggressive trade policy towards China will certainly continue to escalate until the midterm elections and as long as this "trade war" continues to serve the narrative of his administration. This may change when and if the economy starts to be impacted.

Reactions

[Industry bodies warn against trade war](#) - Industry associations on both sides of the Atlantic have issued a joint statement warning of the impact of

the worsening tariff dispute between the US and the European Union. The Trump administration recently imposed a 10% import tariff on aluminium and a 25% tariff on steel. In response, the EU has proposed putting a range of US-made products, including recreational vessels, on a retaliatory tariff list. The joint statement issued by the US-based National Marine Manufacturers Association (NMMA) and the European Boating Industry (EBI), and endorsed by the International Council of Marine Industry Associations (ICOMIA), calls for a “constructive solution” to the dispute.

The EU is the second biggest trading partner for US boat manufacturers with \$217.4 million worth of boats and \$148.3 million worth of engines exported to the EU market in 2016, totalling 18.4% of all US exports. The statement refers to a previous trade dispute in 2002 when the Bush administration imposed tariffs ranging from 8% to 30% on a wide range of steel products for a three-year period. As a result, 200,000 jobs were lost in the US in the steel industry and in downstream industries.

The statement adds that the inclusion of recreational boating in a retaliatory EU tariff list will not protect the European industry and will further burden American boat manufacturers. The US boating industry is also fighting a proposed anti-dumping measure targeting China which would see tariffs on imported sheet aluminium rise by as much as 60%.

Tariffs pose threat to local economy - Tariffs on imported metals will have a negative impact on boat and recreational vehicle producers, and unfortunately, consumers will have to pay more for the purchase of a boat if the tariff goes through. The steel tariff will be 25 percent and the aluminum tariff 10 percent.

Boat manufacturers have been experiencing good sales volumes the past few years, and the National Marine Manufacturers Association believes the tariffs will harm the industry. Recreational vehicle manufacturers took a similar angry stance against the tariffs. This negative impact could stretch beyond the marine and RV industries and the higher cost of the two metals will hit the local automotive parts industry as well as tool and die shops

4. OTHER TRADE ISSUES (INCLUDING BREXIT, AND AGREEMENTS WITH AUSTRALIA, NEW ZEALAND, JAPAN, SINGAPORE, VIETNAM AND MERCOSUR).

EU - Brexit

Background: After the EU's official refusal of May's Chequers plans during the Salzburg Summit on 12th and 13th September, European Council President Donald Tusk issued a statement to ensure EU's full dedication to find a deal. However, in parallel, EU institutions and Member States have been intensifying the preparation of no-deal Brexit plans. A leaked Council document discusses the EU's "preparedness" for a no-deal Brexit. The document calls to intensify preparations in the months ahead at national as well as EU level, "as uncertainty remains about the outcome of the negotiations and the ratification of a possible deal". On 27th September, Michel Barnier, Chief Brexit negotiator, and Jeremy Corbin, UK Labour Party Leader, met, following Labour's call for a second BREXIT referendum.

Additionally, on 26th September, the European Parliament published a study focusing on the impact and consequences of a potential 'no-deal' scenario in the ongoing negotiations. The no-deal scenario – the hypothetical situation where no formal agreement between the EU and the UK is achieved – represents a challenge for the economies and societies of the EU-27 and the UK and are deeply integrated through the existing freedoms of movements for people, goods, services and capital. The study then analyzed the impact of the no-deal scenario on the different transport modes. In the case of maritime transport, the study found that, as the provision of maritime transport services within EU Member States is restricted to EU ship-owners, it would no longer be possible for UK nationals to provide maritime transport services. Simply put, the conditions to qualify as an EU ship-owner would not be fulfilled, unless EU or (alternatively) MS' legislation allows access to cabotage for vessels bearing the flag of a third country. Regarding the International Maritime Organization (IMO), post-Brexit, UK vessels and shipping companies operating in EU waters would mostly still have to comply with EU regulations (through IMO). Concerning the European Maritime Safety Authority (EMSA), and maritime safety matters, in case no agreements between the EU and the UK were signed, the UK would not have to adopt and apply EU law in the field of maritime safety and prevention of pollution by ships, which is obviously of great importance.

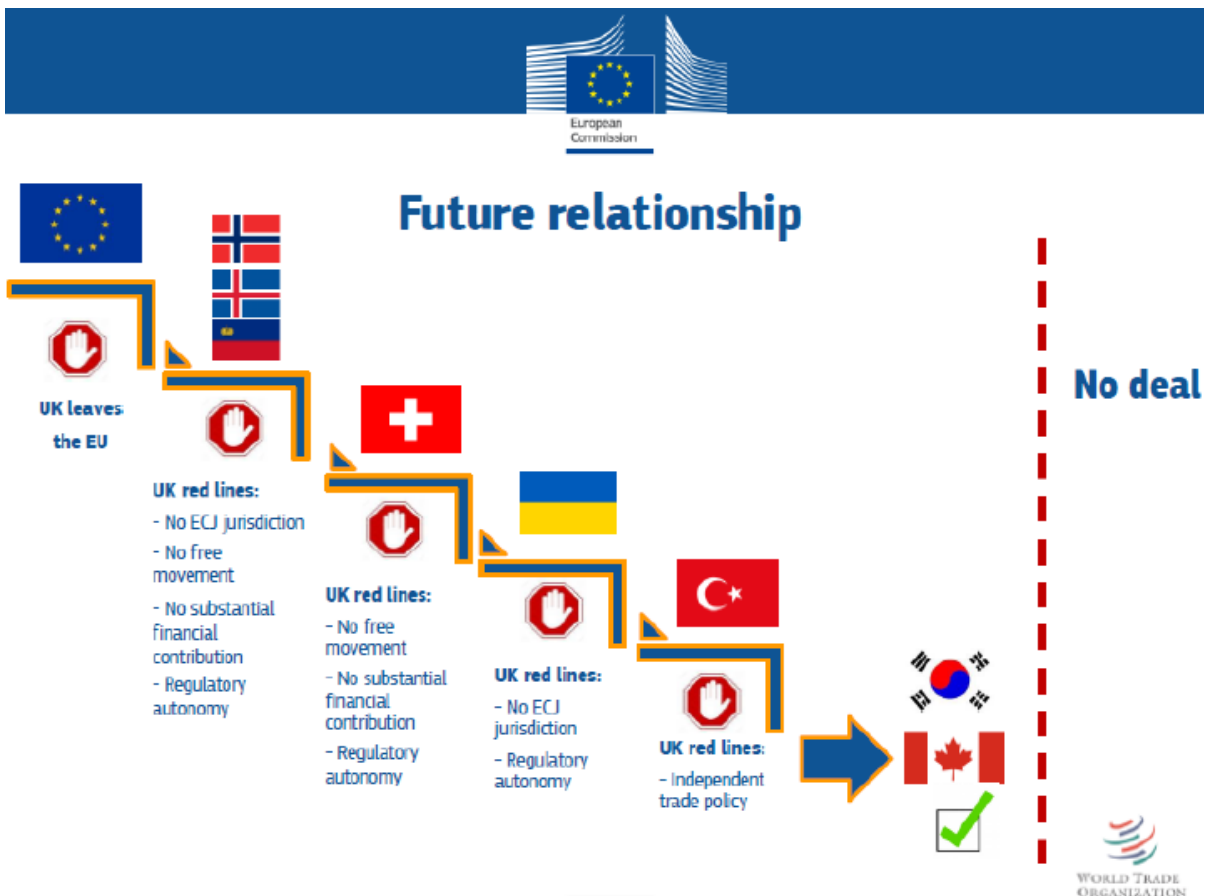
EU – UK: which trade model for their future relations: Below you will find a slide presented by Michel Barnier, European Commission Chief Negotiator for Brexit, to the Heads of State and Government at the European Council (Article 50) on 15 December 2017.

The slide presents all the possible situations the EU proposes to non-EU countries and that the UK could possibly use for the post Brexit negotiations. The so-call UK red lines are the inherent features

required by each of these models which may not be acceptable by the UK government.

One caveat regarding the comprehensive Free Trade Agreement such as the Canada EU FTA model, is that it would not solve the problem of a hard border with Northern Ireland.

This slide reflects the EU's negotiation position, and ignores deliberately the desire expressed by the UK to have a bespoke deal.



Impact of Brexit on marine sector: it is worth highlighting that the cost of raw materials needed for the construction of boats, such as glass fiber or resins, will definitely increase in price given that the UK will no longer be in the European Economic Area and these materials will have to get to the UK from European countries (or others) facing tariffs at UK level, and perhaps being one of the main issues affecting ICOMIA. It is also very likely that critical items to be installed in boats such as engines, electrical systems, batteries, or transformers will also see their price increased in British yards. It is also worth mentioning that the effects of Brexit could also have an effect in VAT

and of course in passport checks in areas in between UK and EU waters, and in terms of traffic to and from the EU27.

Brexit could also take a toll in **fuels** and particularly in red diesel. In the UK, red diesel is dyed gas oil for registered agricultural or construction vehicles such as tractors, excavators, cranes and some other non-road applications such as boats. Red diesel has a significantly reduced tax levy compared to un-dyed diesel fuel used in ordinary road vehicles. On 14 July 2014, the European Commission announced it was referring the United Kingdom to the European Court of Justice over the use of red-diesel in propelling private pleasure craft on water, as it believes the UK is not properly applying EU regulations for the fiscal marking of fuels. Brexit would therefore have an implication in this area, given that the UK would no longer be subject to a ruling coming from the European Court of Justice. Plus, there would be ramifications in terms of the legality of red diesel of UK boats when cruising in EU waters.

The outcome of the Brexit vote took many completely by surprise, and it is evident that Brexit will affect the maritime/marine industry. It is true that in the short term, certain parties such as boat dealers took advantage of the fall of the pound and have promoted their vessels overseas, increasing percentages of sales significantly. Notwithstanding, its implications in the long term for the whole industry are very hard to predict given the complexity of the international maritime industry organizational structure.

On a further note, it is worth noting that [RYA members encouraged to contact local MPs to highlight recreational boating issues](#). Following a summer of discontent within the Conservative Party over the Chequers proposal, the British Royal Yachting Association (RYA) has been continuing to engage with government and supportive Parliamentarians to ensure that the needs and concerns of the recreational boating community are heard amidst the background noise of the negotiations. In particular, the Association has expressed concerns about what the Brexit related bills may mean for border controls, time limits on duration of stay both for individuals and vessels wishing to visit Europe, the future ability of recreational craft and their contents to travel freely throughout Europe without customs restrictions, and the ability of RYA qualification-holders to work in EU territory.

Australia

Status

- On 22 May 2018, the Council of the European Union adopted the decision authorising the opening of negotiations for a trade agreement.
- On 18 June 2018, EC and Australia launched negotiations for a comprehensive trade agreement.

Next steps

- The first formal round of talks took place in Brussels from 2 to 6 July.
- EC published the [first negotiating proposals](#)

New Zealand

Status

- On 22 May 2018, the Council of the European Union adopted the decision authorizing the opening of negotiations for a trade agreement
- On 21 June 2018, EC and Australia launched negotiations for a comprehensive trade agreement.

Next steps

- The first formal round of talks took place in Brussels from 2 to 6 July.
- EC published the [first negotiating proposals](#)

The European Parliament's Research Service published a briefing on the negotiations with Australia and New Zealand which you can access [here](#).

Japan

Status

- On 6 July 2017 the EU and Japan reached an agreement in principle on the main elements of an Economic Partnership Agreement at the EU-Japan summit. The Agreement was finalised on 8 December 2017.
- The EPA removes the vast majority of duties paid by EU companies, which sum up to €1 billion annually, opens the Japanese market to key EU agricultural exports and increases opportunities in a range of sectors. It sets the highest standards of labour, safety, environmental and consumer protection, data protection, fully safeguards public services and has a dedicated chapter on sustainable development. For the first time, an agreement includes a specific commitment to the Paris climate change.

Next steps

- EU Japan FTA is an EU-only trade agreement.
- It only requires approval at Council and consent by the EP – there will be no ratification at member states level (unlike with CETA)
- Council adopted a decision on the signature of the EPA on July 2018.
- Text is being debated in INTA Parliamentary Committee and will be put to the plenary vote before end of 2018
- Both texts (EPA and Strategic Partnership Agreement) should enter into force in 2019.

A similar briefing was also launched by the EPRS on Japan, which you can access [here](#).

Singapore

Status

- The EU-Singapore Trade Agreement deals with trade and foreign direct investment (FDI) liberalisation. It is a 'new generation' trade agreement, with an ambitious, comprehensive scope.
- It covers areas such as tariff liberalisation; reduction of non-tariff trade barriers; and promotion of services and investment. Other trade-related issues include, for example, stronger protection for certain geographical indications (GIs), based on a register of GIs. The agreement will also provide improved access to government procurement opportunities.
- This trade agreement, as it was separated from the investment protection agreement, includes only provisions under the exclusive competence of the EU and can be concluded by the EU on its own.

Next steps

- On 18 April 2018, the Commission proposed to the Council the signature and conclusion of these two agreements with Singapore.
- Once the Council adopts the Commission's proposal for a decision to sign the agreement, the signature of the agreement will take place. The Council will have to send the agreement to the EP for its approval. The EP will decide by a single vote. If the majority required is not obtained, the agreement cannot be concluded.
- Once the Council receives the EP's consent, it can proceed with the conclusion of the agreement. Compared to the trade agreement, which requires only the EU ratification procedure to enter into force, the EU-Singapore Investment Protection Agreement must be ratified by both the EU and by the individual Member States, following their own domestic procedures.
- In view of the upcoming consent procedure, the European Parliament's Committee on International Trade (INTA) held a general debate on both agreements on 10 July 2018.
- The Commission aims to have the trade agreement come into effect before the end of its mandate in 2019

It is worth noting that the European Parliament's Research service recently launched a Briefing on the agreement with Singapore, which you can access [here](#).

Vietnam

Status

- On 2 December 2015, the formal conclusion of the negotiations for an EU-Vietnam FTA.

- On 1 February 2016, the [preliminary text](#) of the Agreement was published on DG Trade's website together with a Commission Staff Working Document on Human Rights and Sustainable Development in the EU-Vietnam Relations with specific regard to the EU-Vietnam Free Trade Agreement.
- Following the Opinion 2/15 of the European Court of Justice on 16 May 2017 on the Singapore FTA, the Agreement with Vietnam was split into a Free Trade Agreement (FTA) and an Investment Protection Agreement (IPA).
- The legal review of the text is completed.

Next steps

- The FTA text is currently being translated into the other 22 EU official languages. Once translated, the Commission will make a proposal to the Council for signature and conclusion of the agreements.
- After signature the Council will send the agreements to the European Parliament, aiming for the entry into force of the trade agreement in 2019.
- The investment protection agreement with Vietnam will follow its ratification procedure also at Member State level.
- Preparations are ongoing in the EP for an effective and timely implementation of the Agreements before the end of the current mandate. i.e. INTA plans to hold a hearing on the FTA on 11 October 2018. There is no indication so far that there is a majority to oppose the text.

In a similar fashion to Singapore, the ERPS also released a Briefing on the Vietnam negotiations which you can access [here](#).

MERCOSUR

Status

- 34th negotiation round of the Trade Part of the EU-Mercosur Association Agreement took place from 9 to 17 July in Brussels which was followed by a ministerial meeting on 18 and 19 July.
- The meeting confirmed the strong political commitment of both sides to reach an agreement, but there is still work to be done and differences to bridge in several areas, notably on cars and car parts, geographical indications, **maritime services (services and establishment)** and dairy. Solutions to very important EU interests in these areas are still outstanding and will need to be addressed to allow a successful conclusion of the process, said the EC. A summary of the talks can be found [here](#)

Next steps

- EU and Mercosur negotiating teams will meet again in Montevideo, Uruguay from 10 to 14 September.

SECTION III – Other Relevant Industry News

1. NIPPON PAINT MARINE INTRODUCES WORLD'S FIRST BIOCIDES FREE SPC ANTIFOULING

Content

Japan-headquartered Nippon Paint Marine has introduced what is thought the world's first biocides-free, low friction self-polishing copolymer (SPC) antifouling technology.

The technology adopts an advanced antifouling mechanism based around the anti-thrombogenic polymers used in the construction of artificial hearts and blood vessels in the medical sector. The medical polymeric material was designed so that no biological substances or life would or could adhere to the surface so as to prevent blood clots (thrombosis). Using the technology in marine paints allows the new hydrolysis polymer reaction developed at Nippon Paint to continuously self-polishes. It also exposes active micro-domain structures to seawater ensuring that Aquaterras (the name of the product) provides long-term antifouling performance.

Registered as a tin-free antifouling paint, Aquaterras has received approvals from all the major classification societies and is certified with no 'active ingredients' in its Type Approval Certification.

You can read more [here](#).

2. AML TECHNOLOGIES WIRE ARC ADDITIVE MANUFACTURING FACILITY AWARDED MARITIME CERTIFICATION

Content

Large-scale metal 3D printing bureau AML Technologies, headquartered in Traralgon, Australia, has become the first company to receive additive manufacturing facility qualification from Lloyd's Register (LR). The accreditation has been granted to AML's facility that specializes in wire-arc additive manufacturing, a process gaining particular popularity in the maritime sector.

Most recently in additive manufacturing, Lloyd's Register and partner organization TWI published a certification framework for metal 3D printed parts produced using powder bed fusion technologies. Incidentally, it was with respect to this framework that AML Technologies requested an assessment by Lloyd's.

Wire arc additive manufacturing, or WAM as it is registered to AML, uses a robotic arm to deposit material. This means that, unlike other bed-bound AM process, the scale of WAM projects is virtually limitless. In 2017, AML received a share of \$8.51 million from the Australian Government to help commercialize its WAM technology. Following this, the company has since divulged plans to develop scandium alloy 3D printing abilities with the technology, unlocking one of the most sought-after feedstocks in the industry. Variants of the technology have been applied throughout the

maritime industry to 3D print the so-called WAAMPeller, and an 80,000 kg crane hook for heavy construction company Huisman. Hussain Quraishi, Strategic Projects Lead at Lloyd's Register Global Technology Centre in Singapore explains, "Using wire feedstock enables companies to produce larger component sizes with a wider selection of materials,"

You can read more [here](#).

3. US EPA DELAYS INTRODUCTION OF NEW VGP REQUIREMENTS UNTIL MARCH 2019

Content

According to a recent Regulatory Update published by the classification society American Bureau of Shipping (ABS), the US Environmental Protection Agency's (EPA) has further delayed the release its new Vessel General Permit (VGP 3.0). The proposed VGP 3.0 was originally scheduled to be issued for comment in late 2017 but is now expected to be made available in March 2019 – with at least a 30-day comment period.

ABS states that, during the period until the final VGP 3.0 enters into force, the EPA has decided to administratively continue the current VGP 2.0 and that the following information will be contained in a policy letter to be published and distributed by the EPA in the near future:

- Vessels which are currently covered by the existing VGP 2.0, specifically those vessels which have filed a Notice of Intent (NOI) prior to 18 December 2018, and have implemented VGP 2.0, are automatically covered by the administrative continuance with no additional follow-up action necessary.
- Operators of new vessels, with keel laid prior to 18 December 2018, are required to file an NOI prior to 18 December 2018 in order to be covered by VGP 2.0.
- If an operator of a vessel with keel laid prior to 18 December 2018 does not file an NOI with the EPA, that vessel will not be covered by the administratively continued VGP 2.0, and therefore may not discharge any discharges covered by the VGP 2.0 in US waters until it files a new NOI in accordance with the new VGP (VGP 3.0).
- Vessels with keel laid after 18 December 2018 will be covered once the new VGP (VGP 3.0) is published in its final form and the vessel files the required NOI.

The VGP provides for National Pollutant Discharge Elimination System (NPDES) permit coverage for incidental discharges into US waters from commercial vessels greater than 79 feet in length and for ballast water discharges from commercial vessels of all sizes. The permit contains effluent limits for different types of discharges including ballast water, deck runoff, bilge water and grey water, as well requirements for the use of environmentally acceptable lubricants (EALs) in all oil-to-sea interfaces. Each individual vessel in a fleet requires its own permit and the NOI requirements apply to vessels of 300 gross tons or more or vessels that have the ability to hold or discharge more than eight cubic meters of ballast water. Operators of smaller vessels and of vessels with less ballast water capacity must instead complete a PARI Form (Fill and Print) and keep a copy of that form onboard the vessel at all times. For each vessel,

operators must submit an Annual Report electronically for each year that they have active permit coverage.

You can read more [here](#).

4. IMO STUDY TO EVALUATE NEED FOR A MEDITERRANEAN ECA

Content

The UN's Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC) has partnered with an international consortium led by Energy & Environmental Research Associates (EERA) to examine the possibility of turning the Mediterranean into an Emission Control Area (ECA). The feasibility study will specifically assess the health benefits of reducing the sulphur content of marine fuels for citizens living in the region, as well as the potential cost implications for ship owners.

There are currently four sulphur oxides (SO_x) ECAs in place globally. They are located in the Baltic Sea, the North Sea and the United States Caribbean Sea area, as well as designated coastal areas off the US and Canada. In these areas, the limit for the sulphur content in vessel fuel oil is capped at 0.10 per cent. Outside of the ECAs, the current limit is 3.5 per cent, but this will fall to 0.5 per cent in 2020 with the introduction of IMO's global sulphur cap.

The Mediterranean ECA study will be finalized in spring 2019 and will be presented during a future session of IMO's Marine Environment Protection Committee.

You can read more [here](#).

5. EXXONMOBIL CONFIRMS SPECIFICATION DETAILS FOR ITS 2020 COMPLIANT FUELS

Content

ExxonMobil has confirmed that all its International Maritime Organization (IMO) compliant, 0.50 per cent sulphur fuels developed to date are residual grades. It has also announced specification details and confirmed that the formulations are all compatible with each other, provided that bunkering, storage and handling best practice guidance is followed. In addition, ExxonMobil has named additional locations where its low sulphur fuel range will be available. Ports in Antwerp, Rotterdam, Genoa and Marseilles in Europe, along with Singapore, Laem Chabang in Thailand and Hong Kong, will all offer 0.50 per cent sulphur grades prior to the IMO's 1 January 2020 deadline. Additional locations, including North America, and products will be announced during 2018.

The fuels have all undergone rigorous fit-for-use assessments. The specifications will range from RMD 80 to RMG 380, with a density of between 900 and 970 at 15 degrees Celsius. Catalytic fine content will meet the level set out in ISO 8217:2017. The combination of these characteristics will help ensure that vessel operators can continue to operate their main engines, auxiliary engines and boilers safely and efficiently when they switch over to low sulphur fuels. New lubricants may be required by the vessel operator depending on the chosen compliant

fuel. In order to meet the needs of a truly multi-fuel future, ExxonMobil will also provide a complementary range of cylinder and engine oils.

You can read more [here](#).

6. YARA SELECTS NORWEGIAN SHIPBUILDER VARD FOR ZERO-EMISSION VESSEL YARA BIRKELAND

Content

The world's first autonomous and electric container vessel is one step closer to launch, as YARA signs a deal with VARD worth appr NOK 250 million to build the vessel. VARD will deliver Yara Birkeland for launch in early 2020, and the vessel will gradually move from manned operation to fully autonomous operation by 2022.

VARD is a leading global shipbuilder of specialized vessels. Yara Birkeland is scheduled to be delivered from Vard Brevik in Norway in Q1 2020. The hull will be delivered from Vard Braila in Romania.

The project has received NOK 133.6 million in support from the Norwegian government enterprise ENOVA. Prime Minister Erna Solberg was present for the signing at the ship yard in Brevik, Norway.

Technology company KONGSBERG is a key partner in the project, responsible for the enabling technologies including the sensors and integration required for remote and autonomous operations. The company is leading the way in an industry transformation which at first will impact short sea and inland waterway operations, and holds potential for further segments.

You can read more [here](#).

7. NANOWRINKLES COULD SAVE BILLIONS IN SHIPPING AND AQUACULTURE

Content

A team of chemistry researchers from the University of Sydney Nano Institute has developed nanostructured surface coatings that have anti-fouling properties without using any toxic components.

Since the banning of the toxic anti-fouling agent tributyltin, the need for new non-toxic methods to stop marine biofouling has been pressing. The new materials were tested tied to shark netting in Sydney's Watson Bay, showing that the nanomaterials were efficient at resisting biofouling in a marine environment.

The new coating uses 'nanowrinkles' inspired by the carnivorous Nepenthes pitcher plant. The plant traps a layer of water on the tiny structures around the rim of its opening. This creates a slippery layer causing insects to aquaplane on the surface, before they slip into the pitcher where they are digested. Nanostructures utilise materials engineered at the scale of billionths of a metre -- 100,000 times smaller than the width of a human hair.

You can read more [here](#).

8. EUROPEAN COMMISSION SIGNS GRANT AGREEMENT: OFFICIAL START OF NAVAIS

Content

With the signature of INEA (Innovation & Networks Executive Agency of the European Commission) on the Grant Agreement of NAVAIS, the project officially started on June, 1 2018.

NAVAIS is a multiannual research- and innovation program for the shipbuilding industry. The results of NAVAIS will increase efficiency in design and flexibility in production networks. In total, the European Commission will invest € 6.5 million Euros over a period of four years, by means of the Horizon 2020 program, the research- and innovation program of the European Commission.

European shipbuilders must develop tailor-made innovative concepts that are efficient to design and build. NAVAIS will develop a platform-based modular product family approach supported by the 3DEXPERIENCE integrated business platform. This concept will increase efficiency in vessel design and flexibility in production networks. NAVAIS will specifically focus on passenger/road ferries and multi-use workboats integrating sustainability in the design of the ships. NAVAIS will support the transfer from an engineered-to-order business model to an assemble-to-order business model, which will allow shorter process lead-times, constant quality, reduced design and production costs and better integration of the SME supply chain, thereby increasing competitiveness of the European shipbuilding industry.

Damen Shipyards, with its headquarters in Gorinchem, the Netherlands, will coordinate the project in close cooperation with Netherlands Maritime Technology. Fourteen other partners will participate in NAVAIS: Marine Design Engineering Mykolayiv, Damen Galati, Marine Engineering, Bureau Veritas Marine & Offshore, MARIN, Vlaamse Instelling voor Technologisch Onderzoek, Technische Universiteit Delft, Dassault Systems, Eekels Technology, Heliox, Damen Schelde Naval Shipbuilding, Schunk Bahn- und Industrietechnik, Center of Maritime Technologies and SEA Europe.

You can read more [here](#).