

# FuelEU Maritime – Towards an Impactful EU Green Deal for Shipping

## EXECUTIVE SUMMARY

Successful pathways to decarbonise international shipping depend upon good regional and global policy. The EU Green Deal and the Fuel EU Maritime Proposal will be critical for driving this change. We urge all parties in the trilogue negotiations to come together and deliver a proposal that will fulfill the EU Fit-for-55 objectives and put the EU in a unique position to also drive the global decarbonisation of shipping.

Liner carriers are already investing billions in vessels, technologies, and fuels to decarbonise, and are eager to see:

1. **An EU Green Deal that advances production, supply, and uptake of marine fuels** that reduce GHGs across all parts of the energy transition (e.g. via well to wake or fuel lifecycle framework).
2. **EU policies that encourage innovation leaders** to implement low-GHG technologies and vessel designs, and ensure that fleets can competitively access decarbonization pathways.
3. **EU leadership internationally** that enables shipping to achieve global decarbonization targets and innovate global transport services.

EU Policy has a unique opportunity to strengthen, motivate and complement global policy for reducing GHGs in international shipping. Policymakers can build on these strengths with focused improvements.



## Technological neutrality for emerging renewable energy pathways

The lifecycle framework in FuelEU Maritime sets performance standards for GHG intensity without mandating specific fuels or disqualifying candidate decarbonization pathways as currently proposed by Parliament. **A technology neutral approach in FuelEU Maritime captures the GHG reduction potential across all stages of renewable energy transition pathways.**

FuelEU Maritime will promote the shift to renewably derived marine fuels, but does not need mandating fuel sub-quotas that insert pathway-specific discriminatory elements. Dedicated and temporary performance multipliers without sub-quota mandates will help incentivize first mover investments in all viable pathways and accelerate the transition to renewably derived fuels.

## Shared responsibility ensures FuelEU Maritime compliance

FuelEU Maritime requirements becomes less effective when parties needed for compliance are shielded from regulatory consequences. Requiring a contractual bypass of responsibility for penalties from the owner to the operator as proposed by Parliament goes counter to the core goals of the EU Green Deal. **The original Commission text in FuelEU Maritime and the Council General Approach ensures that all responsible parties work to meet GHG intensity reduction targets and thereby avoid penalties for non-compliance.**

FuelEU Maritime compliance requires combined efforts by i) the operator and vessel charter working to efficiently provide transport services using onboard technologies and vessel designs, and ii) the shipowner who determines the onboard technology available and defines the range of fuels and fuel quality allowed. **Freedom of contract, including over the allocation of responsibility for penalties, is essential to so that the parties achieve the best technological and operational outcomes needed to meet GHG-intensity reduction mandates.**

## Shared efforts to achieve maritime On-shore Power Supply

**WSC members are committed to being ready by 2030 to plug into OPS where available and compatible with international connectivity or to using zero emissions technology at berth.** The Fuel EU Regulation must ensure that the obligation for carriers to use OPS continues to respect the important lead time needed to retrofit ships meeting FuelEU requirements.

In parallel, the **Alternative Fuels Infrastructure Regulation must provide certainty that ports will build out the infrastructure required. Otherwise, vessel OPS capabilities will be stranded.** Developing alternative fuel infrastructure and building out port electrification for OPS requires shared leadership, responsibility and co-investment by private ports, public port authorities and port administrations. This should be reflected in both AFIR and Fuel-EU.

## Pooling accelerates technology transfer

FuelEU Maritime includes measures such as pooling that promote innovation, broaden fleet uptake to GHG reducing strategies, and can accelerate global GHG reductions. Pooling of compliance as proposed by the Commission is strongly supported by both Parliament and Council with modest amendments. Pooling within the EU policy context can improve global GHG performance through expected fleet rotation across global service routes and with resale of ships with low-GHG performance and replacement of lower-performing ships. **Pooling will accelerate technology transfer, support lead mover initiatives, and promote progress for decarbonization across fleets.**

## **Promote competition, avoid GHG leakage, enable IMO agreements**

All EU Green Deal goals for the European economy and for GHG reduction targets can be achieved without applying extra-territorial compliance requirements in EU ETS and FuelEU Maritime. **A regional policy design, based on intra-EU voyages, reduces the risk of GHG leakage and maintains the global competitiveness of EU ports. Intra-EU regional policy better positions Europe to successfully negotiate strong international agreement at IMO.**

