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Committee on Transport and Tourism

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DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council on multiannual funding for the action of the European Maritime Safety Agency in the field of response to pollution caused by ships and to marine pollution caused by oil and gas installations
(COM(2013)0174 – C7-0089/2013 – 2013/0092(COD))

Committee on Transport and Tourism

Rapporteur: Keith Taylor

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council on multiannual funding for the action of the European Maritime Safety Agency in the field of response to pollution caused by ships and to marine pollution caused by oil and gas installations

(COM(2013)0174 – C7-0089/2013 – 2013/0092(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2013)0174),
 - having regard to Article 294(2) and Article 100(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0089/2013),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee,
 - having regard to the opinion of the Committee of the Regions,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Transport and Tourism and the opinion of the Committee on Budgets (A7-0000/2013),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) The Agency's work on the prevention of pollution and on pollution response preparedness is not just financially beneficial but also adds non-monetary value. Given the risk of the devastating ecological impact and huge economic costs of possible pollution incidents, as well as the socio-economic impact of such incidents on other sectors, such as tourism and fisheries, sufficient investment in the Agency is crucial.

Or. en

Amendment 2

Proposal for a regulation Recital 11

Text proposed by the Commission

Amendment

(11) In order to ensure thorough implementation, the Agency should be provided with a viable and cost-effective system for financing, in particular, *its* operational assistance to the affected States.

(11) In order to ensure thorough implementation ***of the Action Plans***, the Agency should be provided with a viable and cost-effective system for financing, in particular, ***the provision of*** operational assistance to the affected States.

Or. en

Amendment 3

Proposal for a regulation Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) Recognising the need for the Agency to be financially secure, and, independently of the Commission's multi-annual financing, the Union and Member States should explore mechanisms whereby the financial costs borne by the Agency may be recovered from third parties in respect of goods, services or labour provided by the Agency.

Or. en

Amendment 4

Proposal for a regulation Article 2 – point a a (new)

Text proposed by the Commission

Amendment

(aa) "oil and gas installation" means a stationary fixed or mobile facility, or a combination of facilities permanently interconnected by bridges or other structures, used for offshore oil or gas operations or in connection with those operations; this includes mobile offshore drilling units only if they are stationed in offshore waters for drilling, production or other activities associated with offshore oil or gas operations;

Or. en

Amendment 5

Proposal for a regulation Article 2 – point a b (new)

Text proposed by the Commission

Amendment

(ab) "offshore oil and gas operations"

means all activities associated with an installation or connected infrastructure, including design, planning, construction, operation and decommissioning thereof, related to exploration and production;

Or. en

Amendment 6

Proposal for a regulation Article 2 – point b

Text proposed by the Commission

(b) ‘hazardous and noxious substances’ means any substance other than oil which, if introduced into the marine environment, is likely to create hazards to human health, to harm living resources and marine life, to damage amenities or to interfere with other legitimate uses of the sea, as established by the Protocol on Preparedness, Response and Cooperation to Pollution Incidents by Hazardous and Noxious Substances, 2000.

Amendment

(b) ‘hazardous and noxious substances’ means any substance other than oil, ***including dispersants***, which, if introduced into the marine environment, is likely to create hazards to human health, to harm living resources and marine life, to damage amenities or to interfere with other legitimate uses of the sea, as established by the Protocol on Preparedness, Response and Cooperation to Pollution Incidents by Hazardous and Noxious Substances, 2000.

Or. en

Amendment 7

Proposal for a regulation Article 3 – point a

Text proposed by the Commission

(a) information, in particular the ***assemble***, analysis and dissemination of best practices, techniques and innovations, such as instruments for monitoring ships' tank-emptying and for monitoring of offshore platforms for operational releases and accidental spills;

Amendment

(a) information, in particular the ***gathering***, analysis and dissemination of best practices, techniques and innovations, such as instruments for monitoring ships' tank-emptying and for monitoring of offshore platforms for operational releases and accidental spills; ***in this regard, the Member States' authorities in charge of***

coordinating emergency response shall make available to the Agency evidence of prior assessments of any chemicals used as dispersants that have been carried out to minimise public health implications and/or further environmental damage;

Or. en

Amendment 8

Proposal for a regulation

Article 3 – point c

Text proposed by the Commission

(c) operational assistance and supporting, on request, with additional means, such as stand-by anti-pollution ships, satellite images and equipment, pollution response actions by the affected States in the event of accidental or deliberate pollution caused by ships or marine pollution caused by offshore oil and gas installations.

Amendment

(c) operational assistance and supporting, on request, with additional means, such as stand-by anti-pollution ships, satellite images and equipment, pollution response actions by the affected States in the event of accidental or deliberate pollution caused by ships or marine pollution caused by offshore oil and gas installations **and measures to clean them up.**

Or. en

Amendment 9

Proposal for a regulation

Article 4 – paragraph 1

Text proposed by the Commission

The financial envelope for the implementation of the tasks referred to in Article 3 for the period from 1 January 2014 to 31 December 2020 shall be EUR **160.500.000** expressed in current prices.

Amendment

The financial envelope for the implementation of the tasks referred to in Article 3 for the period from 1 January 2014 to 31 December 2020 shall be EUR **185 500 000** expressed in current prices.

Or. en

Justification

The proposed overall budgetary allocation falls beneath the minimum adequate threshold which would allow the Agency to continue with its current tasks as well as taking on new tasks assigned to it under Regulation No 100/2013. An additional €25 million over 7 years is required for a minimum implementation of the newly assigned tasks, without compromising the existing ones. All of those are “core tasks” of the Agency and thus there is a legal obligation on the Union to adequately fund them. For more details, see the explanatory statement.

Amendment 10

Proposal for a regulation

Article 4 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

The Union and Member States may establish mechanisms whereby the financial costs borne by the Agency in carrying out its functions pursuant to this Regulation may be recovered from third parties in respect of goods, services or labour provided by the Agency.

Or. en

Amendment 11

Proposal for a regulation

Article 7 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The report shall clearly indicate the socio-economic, ecological and financial benefits of the Agency's pollution response preparedness relating to damage caused by pollution incidents on ships and oil and gas installations.

Or. en

EXPLANATORY STATEMENT

The European Maritime Safety Agency ("the Agency") established in 2002 was assigned tasks in the field of marine pollution response in 2004. Bearing in mind the long term nature of the Agency's responsibility for pollution response, the efficient and thorough completion of the tasks involved requires appropriate financial security on the basis of a multiannual commitment. Therefore, in 2006 the EU legislator established multiannual funding for the Agency's action in the field of response to pollution caused by ships for the period from 2007 to 2013.

In accordance with Regulation 2038/2006 and Directive 2005/35/EC on ship source pollution¹, the three main tasks of the Agency in the field of response to pollution caused by ships are the following:

(a) Operational assistance to Member States

The Agency offers a network of stand-by oil spill response vessels to "top up" Member States' response capacity when affected by a spill. It provides a satellite based oil spill detection and monitoring service called *CleanSeaNet* and information on chemical spills through the MAR-ICE network. Affected coastal states can request the intervention of oil spill response vessels through the Community Civil Protection Mechanism². Smooth integration with Member State response mechanisms is undertaken through regular participation in national and regional exercises.

(b) Cooperation and coordination

The Agency liaises with pollution response experts of Member States as well as with existing Regional Agreements and the International Maritime Organisation.

(c) Information

The Agency collects, analyses and disseminates information on best practices, techniques and innovation in the field of marine pollution response.

Regulation 100/2013 of the European Parliament and of the Council amending Regulation (EC) No 1406/2002, assigned to the Agency tasks with regard to response to marine pollution caused by oil and gas installations and extended the Agency's services to the countries covered by the enlargement policy and by the European Neighbourhood Policy (ENP).

Various evaluation activities have been carried out during the past years. The main conclusions drawn from these evaluations are positive. The allocated amount of the budget dedicated to pollution response has been found as adequate. The measures financed are widely seen as to be cost efficient, providing added value and being appropriately managed.

Summary of the proposal

¹ Directive 2005/35/EC of the European Parliament and of the Council of 7 September 2005 on ship-source pollution and on the introduction of penalties for infringements (OJ L 255, 30.9.2005, p. 11).

² Council Decision 2007/779/EC of 8 November 2007 establishing a Community Civil Protection Mechanism (OJ L 314, 1.12.2007, p. 9).

The proposed Regulation seeks to renew the multiannual funding for the period from 2014 to 2020 in the framework of the new financial perspectives.

It lays down the detailed arrangements for the financial contribution of the Union to the budget of the Agency for the implementation of the tasks assigned to it in the field of responding to pollution caused by ships and offshore oil and gas installations.

The Commission proposes earmarking an amount of **€ 160.5 million** under the Heading 1 "Smart and Inclusive Growth" for the reference period from 1 January 2014 to 31 December 2020. The annual amounts should be authorised by the Budgetary Authority in accordance with the budgetary procedure.

With the entry into force of the amendments to the Founding Regulation No 100/2013 in January 2013, the Agency received the following new tasks in the area of pollution response:

- a) Its current response actions in case of "pollution caused by ships" will also cover "marine pollution caused by oil and gas installations",
- b) *CleanSeaNet* will also "monitor the extent and environmental impact of marine oil pollution caused by oil and gas installations",
- c) The current geographical coverage (Member States & accession countries) is extended to "European Neighbourhood partner countries and to countries taking part in the Paris Memorandum of Understanding on Port State Control". With this, the Agency's vessels can be used throughout the entire area of the Union's regional sea basins.

The Commission proposes that the earmarked amount should only extend to the first two new tasks, with initial funding to start building up the new tasks while not compromising the existing tasks. The third new task should be financed from existing EU programmes for countries covered by the enlargement policy and by the ENP (the programme SAFEMED for the Mediterranean Sea and programmes under the TRACECA initiative for the Black Sea).

The Agency is asked to continue with synergies and other saving measures taken, so as to limit the impact of inflation not being taken into account in this proposal.

Rapporteur's position

The Rapporteur welcomes the Commission proposal to continue with the multi-annual financing of the Agency in the field of pollution response activities.

However, he is gravely concerned about the inconsistency in the Commission's approach: on the one hand, co-legislators decided to allocate new tasks to the Agency, as outlined above, on the other hand the current proposal will not allow the Agency to fulfil these responsibilities.

The Agency's work on prevention and pollution response preparedness is not just financially beneficial but also adds non-monetary value. Given the devastating ecological impact and huge economic costs of possible accidents, as well as the socio-economic impact on other

sectors, such as tourism and fisheries, sufficient investment in the Agency is crucial. This is the fundamental reasoning guiding the Rapporteur's position, as outlined below:

1) The Rapporteur is disappointed that Commission proposes to keep the amount allocated for the next seven years at the same level as before, with virtually no increase, given that not even inflation is taken into account. For existing projects the same amount is allocated: 154.480 M Euro, but for new projects only 6.020 M. That would allow for only very limited implementation of new tasks, or if new tasks are taken on, this would mean compromising the implementation of existing projects.

The Rapporteur therefore considers that the financial reference amount mentioned in Article 4 of the proposal should be **185.500.000** euro in current prices (see the table in Annex). This is because the proposed overall budgetary allocation of 160.500.000 euro for the period from 2014 to 2020 falls beneath the minimum adequate threshold for the Agency to continue with its current tasks, as well as taking on its new tasks, assigned to it by Regulation No 100/2013.

The increased amount of €25 million over seven years would allow the Agency to perform the minimum number of actions in order to carry out its new assigned tasks. In particular:

- Contracting of two additional stand-by oil recovery vessels
Two geographical areas are currently not covered (Arctic and Canary Islands/South Portugal) in terms of new exploratory offshore drilling activities. Considering the current levels of activities to explore further shipping routes as well as oil and gas resources, these areas need to be phased-in in 2015 and 2017. In order to cover areas with offshore installations, the Agency has already begun to redeploy its vessels. For instance, a call for tenders has been issued for 2013/2014 for the northern North Sea and the Adriatic Sea.
- Specialised equipment for offshore spills
In order to monitor offshore spills the Agency needs to acquire specialized equipment above and beyond their existing equipment. These additional tools are much needed, however the overall amount earmarked for this purpose is very limited. The Agency plans to phase- in those activities over a 3 year period.
- Dispersants for offshore spills
The Agency's operational tasks are part of coastal States' pollution response mechanism, primarily focussing on spills beyond the national response capacity of individual Member States, and following a request for support. The Agency needs to build-up its pollution preparedness, probably including the establishment of dispersant systems. The final decision on use of a particular anti-pollution method should be taken by the Member State requesting support. The Rapporteur requests that if dispersants need to be used, that they are chosen on the basis of what will deliver the best overall outcome for the environment.
- Extension of *CleanSeaNet* for monitoring offshore installations
In order to ensure regular monitoring of the offshore installations which are not covered today by services to the Member States, the Agency needs to acquire more satellite imaging capability.

The Rapporteur supports the idea that the earmarked amount of 185.500.000 euro should only

extend to the first two new tasks. The extension of the current geographical coverage should be financed from existing EU programmes for countries covered by the enlargement policy and by the ENP.

2) Following the adoption of the position of the European Parliament at first reading with a view to the adoption of *Directive 2013/.../EU of the European Parliament and of the Council on safety of offshore oil and gas operations and amending Directive 2004/35/EC* in plenary on 21 May 2013, a number of alignments are proposed, including the definitions of ‘installations’ and ‘offshore oil and gas operations’ in Article 2.

3) The Rapporteur introduces two reporting requirements calling for the provision of reliable figures on:

- The socio-economic costs and ecological impact of accidents by ships and oil and gas installations in Article 7, and
- The ecological impact of dispersants in Article 3 paragraph 1 point a.

Conclusion

The Rapporteur considers that the Commission's proposal for funding for the Agency is insufficient, given its new responsibilities and therefore proposes a higher amount. Appropriate multiannual funding of the Agency's work in the field of pollution response activities provides excellent value for the money as it not only allows the Agency to properly carry out its current and newly assigned tasks, but also helps prevent the enormous costs (both ecological and socio-economic) arising from oil and gas spill accidents.

ANNEX

Estimated impact on expenditure proposed by the Rapporteur

TOTAL appropriations under Heading 1 *Smart and Inclusive Growth* of the multiannual financial framework for the reference period 2014 -2020 (Number of budget line 06.02.03.02)

Expressed in euro								
	2014	2015	2016	2017	2018	2019	2020	TOTAL
Commitments	22,375,000	24,800,000	25,900,000	27,450,000	27,025,000	27,850,000	30,100,000	185,500,000
Payments	20,642,092	28,490,004	26,094,674	24,642,214	25,184,583	27,210,583	27,915,083	180,179,235

For the payment appropriations: total of 180,179,235 euro includes payments associated to multiannual financial framework 2007-2013. Payments after 2020: 31,317,000 euro.