



House of Commons
Environmental Audit
Committee

**Reducing CO₂ and
other emissions from
shipping: Government
Response to the
Committee's Fourth
Report of Session
2008–09**

**Sixth Special Report of Session
2008–09**

*Ordered by The House of Commons
to be printed 20 October 2009*

HC 1015
Published on 23 October 2009
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

The Environmental Audit Committee

The Environmental Audit Committee is appointed by the House of Commons to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by Her Majesty's Ministers; and to report thereon to the House.

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Sixth Special Report

The Environmental Audit Committee published its report on *Reducing CO₂ and other emissions from shipping* on Monday 1 June 2009 as HC 528. The Government's Response to the Committee's Report was received on Wednesday 29 July 2009 in the form of a memorandum to the Committee. It is reproduced as an Appendix to this Special Report.

Appendix—Government response

Introduction

This paper sets out the Government's response to the Environmental Audit Committee's report *Reducing CO₂ and other emissions from shipping* (HC 528 published on 1 June 2009).

The Government welcomes the interest that the Committee has shown in the important subject of atmospheric emissions from shipping. International shipping is crucially important for the movement of goods around the world and is often the only way to transport goods. Some 75% of world trade by volume is carried by ships. As global trade increases, so the number of voyages can also be expected to increase. In addition, international shipping plays a significant role in the movement of passengers between countries, while, throughout the world, domestic ferries play a key role in passenger transport.

Consequently, both the pollutant emissions from ships (which harm the environment and human health) and the CO₂ emissions from ships (which contribute to climate change) have, for an appreciable time, been a focus of the Government's attention. Because shipping is a global industry, the most effective way of tackling the problems posed by atmospheric emissions from ships is to achieve regulatory or market-based solutions which are applicable to ships of all countries.

The best international forum in which to obtain such an outcome for pollutant emissions is the International Maritime Organization (IMO), the arm of the United Nations which regulates maritime transport. The Government has consistently sought to develop solutions to the problems posed by emissions from ships by working within the IMO. The IMO's success in developing and adopting a revised Annex VI to the International Convention for the Prevention of Pollution from Ships (MARPOL) in 2008 bears witness to the effectiveness of the IMO in addressing technical and operational aspects of international shipping.

The problem posed by CO₂ emissions from shipping is, undeniably, of a different order to that of pollutant emissions. The effects of CO₂ emissions are felt at the global level, wherever they are emitted, so it has proved impossible to separate the question of reducing or limiting CO₂ emissions from shipping from the wider question of addressing states' CO₂ emissions overall. Wider political considerations of a global nature dictate that this must be resolved through international negotiations, both in the IMO and in the United Nations Framework Convention on Climate Change (UNFCCC). The Government is striving assiduously in both of these bodies, working in cooperation with likeminded states

(including, but not limited to, other Member States of the European Union) to achieve a solution which will be of global application.

The Government recognises that achievement of a global agreement on action to tackle CO₂ emissions from shipping is neither quick nor easy. However, a global solution is needed to address the effect of the global shipping industry on the global problem of climate change. The Government is committed to pushing forward this agenda, and this precludes taking unilateral action which could obstruct or impede the achievement of this aim and would not be appropriate given the international nature of the shipping industry. Nonetheless, the Government recognises that there is a role for regional—eg European Union—action in the event that success in the international fora is not deliverable within an acceptable timescale. But the Government would stress that any such regional action must be designed to ensure that it can function as a stepping stone towards an eventual solution of worldwide application.

The Government takes the view that the problem of CO₂ emissions from international shipping must be addressed through three parallel and complementary approaches in the international fora, through both the IMO and the UNFCCC.

One strand of this international action is the development of technical and operational measures which will reduce individual ships' CO₂ emissions. The design of ships—including, but not limited to, ships' propulsion systems—and the operation of ships are the key elements in this. There is an important role for research here, but as many of the technologies and operational practices are already well researched and well understood, it is even more important that a way should be found to encourage substantial take-up of these technologies and practices by the international shipping industry.

The second strand is the establishment of a regime which will ensure that ships face a carbon price for the CO₂ which they emit. For this, an international economic instrument—such as an emissions trading system—is required. The key criteria for any such instrument are that: it must apply to ships globally and without discrimination on the basis of country; it must be delivered cost effectively; and it must impose a firm upper limit on the net amount of CO₂ that may be emitted from the international shipping sector, which is consistent with limiting climate change to an increase in global average temperature of no more than 2°C compared to pre-industrial levels. By ensuring the industry faces a carbon price, this will also provide the incentive for operators to adopt technical and operational measures which will reduce emissions from the sector itself. There are, of course, other factors to be taken into account as well (eg the relationship of such a system with other international carbon trading systems and the governance of such a system).

The third strand of international action is an agreement by Parties to a global emissions reduction target through the UNFCCC. This must be accompanied by a commitment by Parties to develop means to achieve the reduction targets, either through the imposition of a carbon price as described above or through other approaches.

The Government is well aware of the challenge which the negotiation of such a solution poses but is committed to participating fully in the international process in the firm expectation that this challenge will be met and the goal of an internationally agreed approach to reducing CO₂ emissions from ships will be achieved. Until the negotiations on such a system are more fully advanced—and the Government anticipates that real progress in this area will only take place at and beyond the 15th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in Copenhagen on 7–18 December 2009—perceptions of the detailed outcome can only be speculative. Nonetheless, our aspirations are high and the Government will be working vigorously to achieve the necessary progress internationally in advance of, and building on the outcome of, the Copenhagen conference.

Conclusions and recommendations: detailed response

Shipping and global climate change goals

1. Policy must have a rational basis. Given the absence of a consensus within the international community, the Government should take the lead in determining what level of emissions from shipping would be compatible with delivering the objective of limiting the rise in temperatures to 2°C. This should be used in turn to determine targets for emissions from shipping in 2020 and 2050. The Government should then use these global figures to inform its policies and actions by making an estimate of the UK's share of the global total. The Government should commission research on recommended targets for shipping emissions in 2020 and 2050, and for the trajectory of emissions that should link them. (Paragraph 13)

The Government agrees that any overall target for global greenhouse gas emissions should be consistent with limiting climate change to an increase in global average of temperature of no more than 2°C. It also believes that any global target should be achieved cost effectively, recognising the abatement potential and associated costs of each of the emitting sectors.

Therefore, the Government considers that any targets set for individual sectors should not be determined unilaterally. The appropriate targets for international shipping will depend on a variety of factors, including the targets for other sectors that are agreed as part of a new international agreement on climate change at Copenhagen and the relative abatement potential and costs of the sector. Any target for the shipping sector should therefore be informed by an understanding of the relative level of challenge, potential impacts on the industry and distributional effects.

The Government therefore considers that the appropriate emissions reduction target for shipping must be determined internationally. The UK will continue working with other countries in international fora to arrive at a consensus on the appropriate targets for shipping in 2020 and 2050. We are confident that workable solutions can be found and the UK is committed to playing a leading role in reaching such an agreement.

Progress of international negotiations to tackle CO₂ from shipping

2. With a view to stepping up the pressure to achieve an IMO-wide agreement, we recommend the Government maintain a constructive approach within the IMO, while actively seeking agreements to limit shipping emissions outside the IMO process—notably within the European Union, and through the UNFCCC. (Paragraph 17)

The Government will certainly continue its constructive approach within the IMO. We will work actively in the UNFCCC, with a view to getting agreement to a target which will be taken forward in the IMO. When taking matters forward in these international fora, we will continue to act in close cooperation with other EU Member States.

We also will continue to work within the European Union to give shape to the measures which the Commission will bring forward in the event that the international process does not deliver an agreed solution to the problem of greenhouse gas emissions from ships. However, we want an international solution. A regional European solution would be a first step in the right direction on the way to the preferred global approach.

3. We deplore the ongoing delays in reaching a global agreement to tackle greenhouse gas emissions from shipping. We recommend the Government work with the European Commission to examine the merits and practicalities of its proposals, with the aim of achieving practical action as swiftly as possible. We recommend that the Government follow up its proposals to the IMO on emissions trading with some concrete proposals or makes clear what alternative solution it is working towards. (Paragraph 28)

The most appropriate course of action to push forward with developing global measures is to carry on working internationally through the IMO and the various intersessional meetings of the UNFCCC in the run-up to Copenhagen. The UK will work with international partners, including the European Commission, and look at all credible proposals with a view to making progress on this globally important issue of addressing the greenhouse gas emissions from international shipping. We aim to clarify our thinking on emissions trading to ensure any approach which we support achieves the environmental outcome in an efficient and effective way, and work is underway to do this. It is a complex subject and there are many issues to be resolved.

Shipping emissions and the Climate Change Act

4. We agree with the Committee on Climate Change that the Government should work to secure the inclusion of shipping emissions within the EU's climate change targets. But we do not see why shipping should be treated differently from aviation. We recommend the Government consider taking international shipping emissions into account in setting UK carbon budgets from day one, in a similar fashion to emissions from international aviation. (Paragraph 34)

We are legally required to take international shipping emissions into account in setting carbon budgets, as well as international aviation emissions. We have published estimates of future emissions in the carbon budgets document. But we agree with the Committee on Climate Change view that international shipping is a clear example of a sector where unilateral, national or even regional action is problematic, and where achieving a global sector deal is a priority, and therefore that we should not unilaterally adjust our carbon budgets to reflect shipping emissions.

International aviation will be included in the EU Emission Trading System (EU ETS) from 2012, and the EU's 20% and 30% greenhouse gas emission reduction targets. The first three carbon budgets are based on this framework, and therefore implicitly take into account international aviation emissions. However, international shipping is not included in the EU ETS, and is excluded from the EU's 20% and 30% greenhouse gas emission reduction targets. Therefore, it is not possible to take international shipping emissions into account in the carbon budgets in the same way.

For both international aviation and international shipping emissions, the priority has to be to focus on global approaches. The Government supports European action on international aviation emissions as an interim step, and recognises its potential benefits. However, the Government notes the conclusion of the Committee on Climate Change that a 'European only' approach to international shipping could be undermined by carbon leakage. (Carbon leakage occurs when there is an increase in emissions in one country/region as a result of emissions reduction by a second country/region with a strict climate policy.)

The risk of carbon leakage from the inclusion of international aviation in the EU ETS is far less significant. It is for this reason that European action on international aviation emissions has progressed more rapidly. Nonetheless, the Government would be open to European action on international shipping emissions as an interim step to a global agreement as long as it did not hinder reaching such a global agreement or result in perverse effects on the industry, such as creating carbon leakage.

5. The current methodology for calculating international shipping emissions underestimates actual emissions. The Government must produce a more accurate estimate, and state what effect this would have on total UK CO₂ emissions were it to be taken into account. We recommend that the Government consult on the methodology it should use to calculate the UK's share of international shipping emissions. (Paragraph 39)

The Government agrees that the usual methodology for calculating the UK's international shipping emissions—ie bunker sales in UK for international voyages—is likely to understate the amount. Given the international nature of shipping activity, developing a common methodology for measuring international shipping emissions is best taken forward through the UK working with international partners through the UNFCCC and the IMO. Currently, the work of these organisations is focused on getting a global climate change deal (including a sectoral emissions reduction target for international shipping) and developing measures which will reduce CO₂ emissions from ships. The issue of assessing individual countries' share of emissions could be considered as part of that process.

6. In pursuing any policy mechanism designed to curb UK shipping emissions, it will be important to seek to work within a multinational scheme, in order to maximise effectiveness and minimise evasion. We recommend that the Government push for agreement within the EU on measures to tackle shipping emissions at a European level. It will also be important to test policies so that they avoid “reverse modal shift” from shipping to road freight. Until a European or global agreement is reached, we recommend that the Government should simply adjust the carbon budgets for the rest of the economy downwards to compensate for the volume of the UK’s international shipping emissions. (Paragraph 41)

Shipping is a global industry and our aim is to address shipping emissions globally, not merely on a national basis. The Government will certainly work on a multinational basis, both in UNFCCC and in the IMO and it has worked—and will continue to work—closely with the other EU Member States. However, our primary concern is to achieve international agreement, not just a solution which will only apply to Europe. A successful international, global approach to addressing greenhouse gas emissions from international shipping would preclude the need for unilateral EU action. The Government agrees on the importance of ensuring that policies do not lead to “reverse modal shift” from shipping to road freight and will work to ensure any policies implemented do not encourage such behaviour. We cannot agree that, until a European or global agreement is reached, the Government should adjust the carbon budgets for the rest of the economy downwards to compensate for the volume of the UK’s international shipping emissions.

Mitigating emissions from shipping

7. We welcome the fact that the Department for Transport has commissioned a Shipping Emissions Abatement Techniques Review. We recommend it work together with the Technology Strategy Board to review the potential for UK universities and industry to develop these technologies, and exploit the economic opportunities arising from them. This review should identify where Government support could help British researchers, designers, and shipyards to become global leaders in technologies that can be applied worldwide. We recommend that particular attention should be paid to technologies that can be retrofitted to existing ships, as this could have the biggest impact in the short- to medium-term. We also recommend the Government encourage more research into technologies which offer a genuine alternative to fossil fuels: if shipping is to be decarbonised it needs truly alternative propulsion systems. (Paragraph 48)

It is important that the Government builds and retains an up to date understanding of the potential for greenhouse emissions abatement in the shipping sector, and that this is based on the best available evidence. In addition, this should be accompanied by an assessment of the costs of investing in, implementing and making these technologies, and other measures, operational.

The Government will encourage the Shipping Emissions Abatement Techniques Review to work with the Technology Strategy Board to review the potential for UK universities and industry to develop these technologies, and exploit the economic opportunities arising from them.

The Government considers that it would be valuable for this review to consider a range of issues, including options for subsidies and other ways to encourage and support UK researchers, designers, and shipyards to become global leaders in technologies that can be applied worldwide.

We concur with the Committee's recommendation that particular attention should be paid to technologies that can be retrofitted to existing ships. We agree that measures of this nature could play a valuable role in achieving early reductions in emissions from ships.

The Government also endorses the Committee's view that propulsion systems which do not rely on hydrocarbons for fuel are important for the reduction of CO₂ emissions from ships. We will take a keen interest in research as it emerges on these systems, and other options and will consider the scope for Government research to add value in this context. However, these alternative technologies have already been the subject of an appreciable amount of research. We consider that what is needed now is for the international shipping industry to be provided with a stimulus to take up these alternative propulsion technologies. In our estimation, that stimulus would be provided by carbon pricing and an emissions trading regime.

8. It is not technically difficult to measure emissions; the difficulty is the political question of how they are apportioned. We believe it would be technically feasible to establish an international emissions control regime—whether on a regional or global basis—that could accurately charge (or require carbon permits from) each ship according to its actual emissions, and securely enforce and verify compliance. A truly global regime would be ideal, but while this is negotiated and constructed we recommend the Government work with European partners to establish a scheme that applies across the European Union. (Paragraph 52)

The Government has yet to be convinced that the measurement of ships' actual emissions is a realistic proposition. However, if it could be demonstrated that it is technically feasible, then we would welcome the establishment of an international emissions control regime on a global basis that could accurately charge (or calculate the emissions allowances that should be surrendered by) each ship according to its actual emissions.

We are focusing on a global solution to address the global problem of CO₂ emissions from ships. We would be open to an EU system as an interim step, as long as it would not hinder reaching a global agreement or lead to carbon leakage. However, we continue to take the view that regional action should come into play only if success in the international fora is not deliverable within an acceptable timescale.

9. The Government's position on the use of emissions trading to tackle greenhouse gas emissions from ships is too vague. It promotes emissions trading because this is said to impose a definite cap on emissions but will not discuss what cap shipping should be given, nor what cap any wider schemes shipping is linked to should have. We recommend the Government clarify what cap should be imposed on emissions from shipping in any trading scheme. (Paragraph 54)

Given the international nature of the shipping industry, and the relatively high costs of abatement, the Government believes that the most effective way to tackle CO₂ emissions from ships would be through the implementation of a suitably designed emission trading

system in which shipping participates. Such a system would also provide greater certainty over the environmental outcome by placing a quantified cap on emissions.

It is important that the system in which shipping would operate is designed in a way which achieves the desired environmental outcomes and importantly, is efficient, transparent and does not have significantly adverse distributional or behavioural effects. The design of the system must also be accepted by our international counterparts and committed to by them.

The negotiation of the cap on international shipping emissions is absolutely central to this process. Any cap on international shipping emissions must clearly be consistent with the aim of limiting climate change to an increase in global average temperature of no more than 2°C above pre-industrial levels.

The appropriate cap for international shipping emissions will depend on a variety of factors, including the targets for other sectors that are agreed as part of any new international agreement on climate change at Copenhagen and the particular characteristics of the industry. A cross-Government group consisting of representatives from DfT, DECC, HM Treasury and the Department for International Development has been formed and is developing the design of a cap and trade system and identifying possible target ranges.

The Government envisages that negotiations in international fora (either at the Copenhagen conference or subsequently in the IMO) will result in the agreement of a target for reduction of CO₂ emissions from international shipping. The UK will continue working with other countries in international fora to arrive at a consensus on the appropriate cap for international shipping.

10. Given that carbon pricing lies at the heart of its strategy on shipping emissions, we recommend the Government commission research on the relationship between: (i) levels of charges; (ii) changes in ship owners' investment decisions and operational practices; (iii) consumer behaviour; and (iv) the impact on emissions. (Paragraph 55)

The Government agrees with the Committee that this is a useful piece of work. The Government will commission it to help understand how the industry, its ship operators, freight rates, consumers and others would be likely to respond if costs were to rise due to carbon pricing of some sort. However, the quality and availability of data are likely to be an issue.

11. Government statements on the potential for an international scheme to curb shipping emissions to raise funds for climate change adaptation in developing countries are unclear. The Government appears to support this as an objective; but it also has concerns over the distribution of such funds by an international body, as well as appearing simply to oppose hypothecating revenues from emissions trading schemes for this purpose. We recommend the Government explain precisely what its position is, and how it proposes to overcome its objections—given that any proposed scheme, whether a levy or a trading scheme, will involve the collection and disbursement of international funds, at least partly for the express purpose of assisting developing nations with mitigation and adaptation. (Paragraph 60)

The Government is not convinced that international hypothecation is the best way to raise climate finance. The Government does not in general hypothecate revenue in such a way, as it can create inefficiencies in both revenue raising and spending, as well as volatility of funding. Tax and spending decisions should be taken in the round at Budgets, Pre-Budget Reports and Spending Reviews. To ensure sound management of public finances and maintain credibility of fiscal policy, it is essential that these procedures are followed. This also enables the wider fiscal context to be taken into account, aids good policy making by allowing consideration of the overall economic and distributional impact of tax and spending policies, and ensures we are able to make trade-offs to meet all government priorities.

Currently, revenues accruing from the auction of emissions permits within the EU ETS are treated by the Exchequer in the same way as all other revenues; and finance disbursed for climate change mitigation and adaptation (e.g. the UK's contribution to the Climate Investment Funds) is decided through the usual Budget/ PBR and spending review process. There is no reason that future climate finance should not be treated in the same way.

The Prime Minister has put forward an ambitious initiative on finance for climate change. As part of this initiative, developed and developing countries should work together on a global figure of around \$100 billion per annum by 2020 to help developing countries address climate change. The global carbon market (emissions trading) should be expanded and enhanced to deliver around half of this \$100 billion. All countries should use a transparent and regularly updated formula—based on ability to pay and emissions—to determine how much they will each contribute, though the poorest countries would be exempted. The UK is willing to support a mechanism for generating predictable flows of international public finance—for example, by auctioning a small proportion of international emissions allowances, as proposed by Norway. The UK will provide finance additional to existing Official Development Assistance (ODA) commitments and will encourage other countries to do the same. Within this context, the Government will explore the role that action to reduce emissions in shipping and aviation has in providing carbon finance.

12. We are unimpressed by the evidence which we have heard on the ambition, rigour, and likely effectiveness of the proposed Energy Efficiency Design and Operational Index. The weakness of the latter is particularly disappointing, given that very simple operational measures (such as slower steaming) have a significant potential to reduce carbon emissions quickly, and often without large investments. We commend the Government's efforts towards getting agreement on making the Operational Index mandatory for all new ships. We recommend that the Government, working with the European Commission, explore other measures to encourage or compel shipping operators to improve efficiency. (Paragraph 64)

The Government continues to believe that the Energy Efficiency Design Index (EEDI) will be a valuable tool for achieving emissions reduction targets, and does not agree with the Committee's conclusion that it will be weak. It is important to bear in mind that developing an index which will be appropriate for and applicable to all types of ship in all navigating conditions is a highly ambitious and complex enterprise. There will inevitably have to be some variations, exceptions or exclusions in order to preclude perverse consequences. Due to the complexity of maritime trades and the wide range of specialised

ship designs, some vessels will need to incorporate design features that render them less energy efficient in order to deliver their transport role—for example ice strengthened vessels are inherently less energy efficient than non-ice strengthened ships due to the additional design elements required to carry out their role safely. Clearly the EEDI must function in a manner that delivers energy efficient designs without compromising safe operation. Nonetheless, we consider that it is possible for the states working together in the IMO to reach agreement in 2009 to the EEDI's broad principles and in 2010 to its detailed rules of application. Our aspiration, as we indicated in our evidence to the Committee, is for the EEDI to be made mandatory for new ships and voluntary for other ships. As a precursor to this we will be pressing for a period of voluntary implementation to ensure that the formula is robust, resolves the issues noted above and will provide an incentive for delivering efficient, safe shipping in the long term.

The Government recognises that the Energy Efficiency Operational Index (EEOI) currently looks less robust than the EEDI. However, we anticipate that there will be further work in this area within the IMO to make the EEOI more effective. Moreover, even if it does not prove possible to make the EEOI into an effective tool, this will not diminish the importance of the attractiveness of operational measures to reduce CO₂ emissions. The Committee rightly points out that operational measures (including, but by no means limited to, reducing speed) have a very significant potential to reduce CO₂ emissions from ships, and we are confident that the international shipping industry is alive to this consideration. We consider that the increased awareness of the value and effectiveness of operational practices which have the effect of reducing CO₂ emissions will have significant beneficial effects, not least because of the correlation between reduced CO₂ emissions and reduced consumption of fuel. While on the subject of the EEOI, we must correct one statement made in the Committee's report which results from a misunderstanding of the evidence which we gave to the Committee. When we said, in response to Question 267, that we aspired to having "this index ... made mandatory for new ships", we were referring to the EEDI and not the EEOI. While we are strong proponents of a mandatory EEDI for new ships, we do not consider it appropriate for the EEOI to be mandatory. The EEOI is a necessarily detailed management tool that will be tailored to a particular ship, trade and potentially an individual voyage and mandating its application would be difficult in practice to implement and enforce.

We will certainly explore measures to encourage or require shipping operators to improve efficiency. We will discuss the matter with shipping industry contacts. We will consider whether there is scope for addressing this through guidance or regulation, and, if there is, we would wish to take it forward in the IMO on a global basis, rather than adopting a merely regional approach.

13. We recommend that the Department for Transport review the benefits, practicalities and costs of variable port dues, according to the environmental performance of different ships. In doing this, it should work with the European Commission, with the aim of harmonising policy across EU ports. (Paragraph 65)

Ports in the United Kingdom are independent statutory bodies. They are empowered historically to levy dues to cover the costs of maintaining the right of access under the open port duty. The charging regime is entirely the responsibility of individual port authorities and there is no common pattern on the exact break-down of what these fees include and how they are calculated.

Because the UK ports sector is market driven, the setting of port tariffs is considered to be a commercially competitive issue. Regardless of the merits of a levy related to environmental performance of ships we do not believe it would be efficient to bolt on an element of charging that was not related to port access and which would cut across commercial discretion.

In developing its European Ports Policy Communication the Commission has made various proposals for a more regulatory approach to port tariffs. But for the reasons explained above, the Government would resist such intervention. Accordingly we see no need for research and would not seek harmonisation across European ports.

Air quality and non-CO₂ contributions to climate change

14. We welcome the progress made within the IMO on limiting the emissions of particulate matter and harmful gases other than CO₂. This gives us confidence that shipping's environmental impact from these emissions—on climate change, ocean acidification, and public health—are being significantly reduced. The Government must ensure that the tightening of regulations agreed at the IMO last year is conformed to in practice. The Government ought to investigate the concerns raised by the UK shipping industry that increased costs arising from these regulations will lead to freight being transferred from sea to road; but this must not be used as an excuse for watering down these regulations. (Paragraph 71)

The Government also welcomes the progress made within the IMO on limiting the emissions of particulate matter and harmful gases other than CO₂. We strongly support the revised MARPOL Annex VI and will be developing the legislation to implement it in the UK. We are investigating the concerns raised by the UK shipping industry that increased costs arising from these regulations will lead to freight being transferred from sea to road. Nonetheless, we will not prejudice the revised Annex VI and the substantial gains in terms of environment and health which it brings.

15. We recommend the Government assess the case for mandating cold ironing to improve air quality in the UK, taking into account the projected air quality benefits of recent IMO regulations. The Government should include this issue in its forthcoming national policy statement on ports. The Government should also consider the potential benefits, as an alternative to cold ironing, of extending the stricter regulations that will apply to the North Sea to other coastal waters around the UK. (Paragraph 75)

The Government considered this matter in the course of the ports policy review in 2006, leading to the policy set out in the Interim Report of July 2007. That policy supports the use of ‘cold ironing’ where feasible, and the making of advance physical provision for the installation of equipment at newly developed facilities in future. However, available evidence on the costs and benefits of cold ironing does not at present support making its provision mandatory, either for future development or by retro-fitting at existing ports. Each case needs to be considered on its own merits. We therefore expect that the national policy statement for ports will be consistent with the Interim Report in this as well as other respects.

The Government will consider the potential benefits of extending the Emission Control Area which currently covers the North Sea to other coastal waters around the UK. We propose to commission research to establish the level of risk to the UK’s environment and to human health in the UK from pollutant emissions from shipping in those sea areas proximate to the UK which are not already covered by the Emission Control Area in the North Sea (which includes the English Channel). We will also, following the principles of good regulation, ensure that the impact on industry—in the form of increased costs or other increased burdens—of any such extension is fully assessed and taken into account in the decision-making process.

Department for Transport and Department for Energy and Climate Change

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2008–09

First Report	Work of the Committee in 2007–08	HC 108
Second Report	Environmental Labelling	HC 243 (HC 861)
Third Report	Pre-Budget Report 2008: Green fiscal policy in a recession	HC 102 (HC 563)
Fourth Report	Reducing CO ₂ and other emissions from shipping	HC 528 (HC 1015)
Fifth Report	Reducing greenhouse gas emissions from deforestation: No hope without forests	HC 30
Sixth Report	Greening Government	HC 503

Session 2007–08

First Report	Are biofuels sustainable?	HC 76-I & -II (HC 528)
Second Report	Reducing Carbon Emissions from UK Business: The Role of the Climate Change Levy and Agreements	HC 354 (HC 590)
Third Report	The 2007 Pre-Budget Report and Comprehensive Spending Review: An environmental analysis	HC 149-I & -II (HC 591)
Fourth Report	Are Biofuels Sustainable? The Government Response	HC 528 (HC 644)
Fifth Report	Personal Carbon Trading	HC 565 (HC 1125)
Sixth Report	Reaching an international agreement on climate change	HC 355 (HC 1055)
Seventh Report	Making Government operations more sustainable: A progress report	HC 529 (HC 1126)
Eighth Report	Climate change and local, regional and devolved government	HC 225 (HC 1189)
Ninth Report	Carbon capture and storage	HC 654 (Cm 7605)
Tenth Report	Vehicle Excise Duty as an environmental tax	HC 907 (HC 72)
Eleventh Report	The Exports Credit Guarantee Department and Sustainable Development	HC 929 (HC 283)
Twelfth Report	Greener homes for the future? An environmental analysis of the Government's house-building plans	HC 566 (Cm7615)
Thirteenth Report	Halting biodiversity loss	HC 743 (HC 239)

Session 2006–07

First Report	The UN Millennium Ecosystem Assessment	HC 77 (HC 848)
Second Report	The EU Emissions Trading Scheme: Lessons for the Future	HC 70 (HC 1072)
Third Report	Regulatory Impact Assessments and Policy Appraisal	HC 353 (HC 849)

Fourth Report	Pre-Budget 2006 and the Stern Review	HC 227 (HC 739)
Fifth Report	Trade, Development and Environment: The Role of FCO	HC 289 (HC 1046)
Sixth Report	The Voluntary Carbon Offset Market	HC 331 (HC 418)
Seventh Report	Beyond Stern: From the Climate Change Programme Review to the Draft Climate Change Bill	HC 460 (HC 1110)
Eighth Report	Emissions Trading: Government Response to the Committee's Second Report of Session 2006–07 on the EU ETS	HC 1072
Ninth Report	The Structure of Government and the challenge of climate change	HC 740 (HC 276)
Session 2005–06		
First Report	Greening Government: the 2004 Sustainable Development in Government Report	HC 698
Second Report	Sustainable Timber	HC 607 (HC 1078)
Third Report	Sustainable Procurement: the Way Forward	HC 740
Fourth Report	Pre-Budget 2005: Tax, economic analysis, and climate change	HC 882 (HC 195)
Fifth Report	Sustainable Housing: A follow-up report	HC 779
Sixth Report	Keeping the lights on: Nuclear, Renewables, and Climate Change	HC 584 (HC 196)
Seventh Report	Sustainable Development Reporting by Government Departments	HC 1322 (HC 1681)
Eighth Report	Proposals for a draft Marine Bill	HC 1323 (HC 1682)
Ninth Report	Reducing Carbon Emissions from Transport	HC 981
Tenth Report	Trade, Development and Environment: The Role of DFID	HC 1014 (HC 197)
Eleventh Report	Outflanked: The World Trade Organisation, International Trade and Sustainable Development	HC 1455 (HC 354)
Twelfth Report	Transport Emissions: Government Response to the Committee's Ninth Report of Session 2005–06 on Reducing Carbon Emissions from Transport	HC 1718