

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Fifth Delegated Legislation Committee

DRAFT MERCHANT SHIPPING (PREVENTION OF AIR POLLUTION FROM SHIPS) (AMENDMENT) REGULATIONS 2021

Wednesday 15 September 2021

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Sunday 19 September 2021

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The Committee consisted of the following Members:

Chair: GERAINT DAVIES

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| † Brennan, Kevin (<i>Cardiff West</i>) (Lab) | † Mullan, Dr Kieran (<i>Crewe and Nantwich</i>) (Con) |
| † Courts, Robert (<i>Parliamentary Under-Secretary of State for Transport</i>) | † Osborne, Kate (<i>Jarrow</i>) (Lab) |
| † Grundy, James (<i>Leigh</i>) (Con) | † Rimmer, Ms Marie (<i>St Helens South and Whiston</i>) (Lab) |
| † Henry, Darren (<i>Broxtowe</i>) (Con) | † Thomson, Richard (<i>Gordon</i>) (SNP) |
| † Howell, Paul (<i>Sedgefield</i>) (Con) | † Throup, Maggie (<i>Lord Commissioner of Her Majesty's Treasury</i>) |
| † Hudson, Dr Neil (<i>Penrith and The Border</i>) (Con) | † Twigg, Derek (<i>Halton</i>) (Lab) |
| Johnson, Kim (<i>Liverpool, Riverside</i>) (Lab) | |
| † Kane, Mike (<i>Wythenshawe and Sale East</i>) (Lab) | Nick Taylor, <i>Committee Clerk</i> |
| † Longhi, Marco (<i>Dudley North</i>) (Con) | |
| † Marson, Julie (<i>Hertford and Stortford</i>) (Con) | |
| † Mohindra, Mr Gagan (<i>South West Hertfordshire</i>) (Con) | † attended the Committee |

Fifth Delegated Legislation Committee

Wednesday 15 September 2021

[GERAINT Davies in the Chair]

Draft Merchant Shipping (Prevention of Air Pollution from Ships) (Amendment) Regulations 2021

9.25 am

The Chair: Before we begin, can I encourage Members to wear masks when they are not speaking? This is in line with current Government guidance and that of the House of Commons Commission. Please also give each other, and members of staff, space when seated and when entering and leaving the room. Members should send their speaking notes by email to hansardnotes@parliament.uk. Similarly, officials in the Gallery should communicate electronically with Ministers.

The Parliamentary Under-Secretary of State for Transport (Robert Courts): I beg to move,

That the Committee has considered the draft Merchant Shipping (Prevention of Air Pollution from Ships) (Amendment) Regulations 2021.

It is a pleasure to serve under your chairmanship, Mr Davies. The draft regulations are necessary because of the ongoing need to reduce pollutant emissions from the maritime sector to protect public health and the environment. They will do that by amending the Merchant Shipping (Prevention of Air Pollution from Ships) Regulations 2008 in order that our domestic legislation is aligned with the latest international limits and standards for sulphur and nitrogen dioxide emissions. The international requirements are set out in annex VI of the 1973 international convention for the prevention of pollution from ships, which is colloquially known in the industry as the MARPOL convention.

The changes limit the amount of sulphur in marine fuels that are used, or intended for use, by ships to 0.5% by mass or less. They also require that new ships and new engines be certified to meet the latest nitrogen oxide emission standards, both globally and when ships operate inside waters that have been designated as an emission control area, or ECA, by the International Maritime Organisation.

The regulations enable UK ship inspectors to enforce the new limits more effectively on foreign-flagged vessels calling at UK ports. Under port state control regulations, ship inspectors from the Maritime and Coastguard Agency can apply limited sanctions for an offence on ships calling at UK ports. For example, those include recording a deficiency against a ship or temporarily detaining a vessel, or a ship can be ordered to de-bunker, which is emptying its fuel tanks. If the ship is using non-compliant fuel, access to UK ports and anchorages may be denied if there is evidence of significant non-compliance.

Those sanctions can be applied to ships only when in port or at anchor. The new statutory instrument, which we are debating, will allow ship inspectors to use the

criminal justice system to impose fines on offenders. That is in line with our current approach to other marine pollution offences.

The ability to impose such fines will be an important deterrent to all foreign-registered vessels in UK waters, whether in transit, in port or at anchor, particularly those that would consider risking non-compliance to reduce costs without the threat of financial penalties. I would stress, however, that compliance with maritime environmental rules is the norm. Enforcement action by the MCA through the courts is extremely rare, and would be funded through existing resources if it were to occur.

The regulations also include an ambulatory reference provision—

Kevin Brennan (Cardiff West) (Lab): The Minister says that such enforcement action is extremely rare. On how many occasions in the past two decades, for example, have maritime companies been found to be in breach of the regulations?

Robert Courts: I thank the hon. Gentleman for that question. I do not have those details at my fingertips; I apologise, but I will write to him and the Committee.

Kevin Brennan: If officials have the figures, could those be communicated to us during the sitting, because they would be of interest to the Committee? We are introducing further and stricter regulation, so it would be helpful for the Committee to know how much of a problem there is under the existing system.

Robert Courts: If I have that information, I will be delighted to share it. In any event, I would make the point that through the regulations we will ensure that our domestic legislation matches the international standards with respect to the IMO. We have two choices today, essentially. We can choose not to apply those standards—that is certainly an option for the Committee and the House—but if we were to take that option, we would be choosing to have lower standards in our domestic law than those in international law and those that we pushed for in the International Maritime Organisation. In any event, I urge the Committee to consider that these provisions are necessary, but if I have that information, I will of course share it with the hon. Gentleman.

The regulations include an ambulatory reference provision, which will automatically update references in the 2008 regulations to provisions of the convention and its annexes. That implements a key industry request from the red tape challenge that enables some amendments to international requirements to be transposed into domestic law more rapidly and efficiently than was possible previously. An amendment that is accepted will be publicised in advance of its coming into force date by means of a parliamentary statement to both Houses of Parliament. In any event, the ambulatory reference provision is limited. Substantial changes, such as implementing a new chapter in MARPOL annex VI, would still need to be implemented by statutory instrument.

The draft regulations amend obsolete sulphur limits for marine fuels used by ships, which were made under section 2(2) of the European Communities Act 1972. Specifically, the new regulations remove references to the 1% sulphur limit for ships operating inside an

emission control area and the 3.5% sulphur limit for ships operating outside an emission control area. Respectively, these have been superseded by the stricter 0.1% and 0.5% sulphur limits. The new regulations also remove references in the 2008 regulations to a 1.5% sulphur limit that applied to passenger ships operating within European waters. This has been superseded because, like all vessels, passenger ships are now subject to the stricter 0.5% sulphur limit or the 0.1% sulphur limit when they operate inside an emission control area—that is, the higher standard.

Although it is important to remove obsolete requirements from our domestic legislation that were introduced under section 2(2) of the European Communities Act, the draft regulations retain other requirements that are still pertinent. They do not, for example, amend the requirement for ships to use 0.1% sulphur fuel when at berth in a UK port.

As the Committee will remember, shipping is the most global of international industries. It is important we apply internationally recognised air quality standards to shipping, which was of course the answer I gave to the hon. Member for Cardiff West a moment ago, along with effective enforcement measures to safeguard and encourage compliance. The draft regulations will ensure that the UK maintains some of the strictest air quality for shipping anywhere in the world, which will of course protect public health and the environment. The Government have made it clear that air quality is one of our top priorities.

The regulations help deliver on the commitments made in Maritime 2050 and our route map for sustainable maritime transport, the clean maritime plan. They will ensure that we enforce the standards we agree at the IMO and I commend them to the Committee.

9.33 am

Mike Kane (Wythenshawe and Sale East) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. To be in Committee today, discussing the maritime sector in London International Shipping Week, is a great honour. In this week in particular, I pay tribute to everyone in the maritime sector, which played such a crucial role in getting this country through the pandemic crisis and which will continue to play a crucial role in the months and years ahead. The Minister and I enjoyed a very pleasurable cruise together today—I hope *Hansard* records that accurately—on the River Thames with industry leaders, where we got to thank them personally for the effort they have put in to keeping our supply chains in the UK moving.

I welcome the opportunity to discuss air pollution today. We all know that it poses not just an environmental threat, but a severe threat to public health, as the Minister pointed out. In my own constituency, the most vulnerable people in our community, children and older people are dealing with increased levels of bronchitis, asthma, heart problems and cancer caused by excesses of nitrogen dioxide in the air they breathe. It is vital that we work to reduce the volume of those emissions and of sulphur dioxide and it is right that we look to all parts of the transport sector to play a part.

We are obliged by MARPOL to control emissions, and our reputation as a maritime nation could be damaged if we fail in that quest. As we come out of

lockdown, the effects of climate change are being seen and felt globally. Last year, my constituency was flooded, and the news channels show us wildfires in Europe and across the globe—nothing could more strongly make the case for a green recovery, rooted in decarbonisation and climate justice.

We know what we need to do, and we must start to do it now. Our maritime sector, which is often overlooked, has a crucial role to play, and with the COP26 UN climate change conference imminent, now is the time for us to look ahead and consider a greener future for the industry.

Do the proposals go far enough? I would argue that, in revitalising the maritime sector, we could unlock tens of thousands of jobs across the UK, with many of them green jobs and, very importantly, concentrated in our neglected coastal communities. I had the great honour of visiting the port of Hull a couple of months ago, and cycled from the train station to meet the chief executive in the port, passing the Siemens wind turbine factory. It was a sight to behold, with tens of thousands of highly paid, unionised jobs decarbonising our economy in the heart of a previously neglected coastal community.

This could be the opportunity to renew the many towns and villages that are dotted along the UK coastline, which are in desperate need of improvements to transport, job opportunities and connectivity, and which would be at the heart of maritime sector growth.

I speak frequently to those in the sector, and they tell me how keen they are to make the changes that are needed—to develop, innovate and change for the greener. However, the Government need to fund and support that radical transformation. In doing so, they would rapidly lower carbon emissions from shipping, and in the process could develop world-leading renewable fuels and reskill our workers for a sustainable future.

It is time for Government action. Decarbonisation and the rebalancing of our economy are possible, and UK maritime, with its wealth of talent and expertise, has shown time and again its ability to generate enormous value. This is a fantastic opportunity for our country, as there is no clear global leader setting the pace to develop zero emission shipping technology, and if Ministers are prepared to act quickly and invest, the UK can become a scientific and green technological superpower, bringing jobs and prosperity to our communities around our coast. However, there is no time to lose.

We have a moral duty and an environmental obligation to control pollution and to reduce emissions of both sulphur dioxide and nitrogen dioxide from ships and from our skies and in our children's lungs. Controlling emissions will allow the UK to comply with its obligations as a party to MARPOL and to reduce the risk of reputational damage from not meeting our obligations.

The new regulations will also enable UK ship inspectors to enforce the international pollutant limits and standards more effectively, so I am happy to support the statutory instrument and will continue to be an advocate for more investment in our maritime sector to ensure we get there and take our rightful place at the front of the vanguard.

9.39 am

Kevin Brennan: My hon. Friend is right to welcome the regulations, and this is an extremely important measure and part of our international obligations. I

[Kevin Brennan]

rise, therefore, not to oppose the regulations, but to press the Minister a little around enforcement and costs, and around the resource that the Government are going to put into enforcing these new and stricter regulations in the new form of criminal sanctions.

It is important that the Committee understand the implications of the statutory instrument with respect to Government resource and the effectiveness of enforcement, which will ensure that the regulations have their intended effect on pollution. I note from the explanatory memorandum that the costs overall are deemed to be neutral to business—there will be a cost of £180 million per year to UK businesses as a result of the draft regulations—but the Government judge, probably rightly, that if we did not introduce the regulations, and if those costs were not incurred by UK businesses, those same businesses would face fines, problems, the impounding of ships and so on when travelling to ports in other parts of the world. That is why I am interested to know what we will do to ensure that ships in our waters, as well as UK ones, comply with the regulations so that they are effective in the ultimate aim of reducing pollution, climate change and so on.

Will the Minister tell us whether additional resource is being put into ensuring that the new, stricter regulations are enforced? That would be helpful to the Committee in considering the draft regulations. Also, has he had any electronic inspiration on the question I asked earlier, because that too would be helpful? If not, it would be useful to know in writing. The existing regulations are supposed to be reviewed every five years, so he ought to know the answers to my questions. The Government ought to be able to report to the Committee what the findings of the five-yearly reviews are, as outlined in the explanatory memorandum issued by the Department with the draft regulations.

Finally, on the “Today” programme this morning, I heard a very interesting report about the future potential of hydrogen-powered submarines for marine shipping. I wondered whether in passing, without breaching the strict terms of what we are debating in Committee, the Minister could give us his view of the future potential of that technology to reduce emissions from marine shipping.

The Chair: If Members wish to speak, they should signal. Members of the Select Committee on Environment, Food and Rural Affairs, medically qualified people and others will be concerned about air quality in ports, where people live.

9.41 am

Richard Thomson (Gordon) (SNP): It is a pleasure to serve under your chairmanship, Mr Davies.

Obviously, it is highly desirable that domestic legislation should match the highest international standards, particularly where the UK Government have been a party to calling for higher standards in international regulation and in compliance through international bodies such as the IMO. For all that the draft statutory instrument before us is highly technical, it is of huge significance, and it is absolutely the right thing to be doing to ensure that domestic UK legislation is in alignment with not only the highest international standards, but those standards that the UK has been a party to calling for.

That clearly has a number of effects on aligning our sulphur and nitrogen-related emission requirements with those high standards, on setting standards for new engines in the marine sector and on improving the ability of the authorities to enforce compliance with the stipulated requirements. On all those things, we are content with the draft SI.

Speaking more broadly, in particular in the year of COP26, the environmental impact of heating and our industrial and transportation requirements are clearly the next areas that we need to focus on to reduce our environmental impact on the planet. Rightly, there is a focus on decarbonisation, but carbon is not the only emission to harm our planet and quality of life. Shipping is a key part of that. Reducing the environmental impact of shipping as we move goods around the globe is clearly a huge part of the positive impact that we can make by reducing emissions. The draft legislation is significant in that, and we are happy to support it.

9.44 am

Robert Courts: It is a great pleasure to hear the points made by hon. Members. I appreciate the broad support that is being expressed for the draft statutory instrument and the points made, all of which are excellent. In broad terms, air quality is a huge priority for the Government, as it is for hon. Members throughout the House, and through the legislation we are ensuring that we remain fully aligned with the latest environmental emissions regulations. We are working towards delivering our own commitments for sustainable maritime transport, which I will turn to in a second.

On the specific points raised, I will start with those from the hon. Member for Cardiff West, who asked about the enforcement of the existing regime. I will give him some detail on how that works. Currently, there are civil-only sanctions. We are introducing some criminal sanctions in these regulations. Civil sanctions can, at present, be used under the Merchant Shipping (Port State Control) Regulations 2011. Ship inspectors, as I outlined at the beginning of the debate, can record a deficiency, and they have a range of powers temporarily to detain a vessel, order a ship to de-bunker if it is using non-compliant fuel, and deny access to UK ports and anchorages. Those are carried out by local inspectors. I would have to go back to the MCA to see if it has a record. I am very happy to do that, I undertake to do so and to write to the hon. Gentleman and the Committee.

I think the hon. Gentleman is essentially asking how often the existing powers have been used, and, if not much, why we need extra. It is a perfectly reasonable point. The reason is that civil sanctions can only be applied to ships when in port or at anchor. It would not be possible to apply civil sanctions retrospectively on a vessel that has left UK waters or on the foreign-registered company operating the vessel. We are taking some additional powers not so much to beef up the existing powers, but to slightly broaden them. It is particularly the foreign-registered vessel that the hon. Gentleman might be interested in. We are taking a wider environmental remit, regardless of how often we have used the existing powers. I hope that explanation will help to allay his quite understandable concern about why we are seeking additional powers. The civil sanctions replaced by a criminal sanction is particularly important.

The hon. Gentleman asked about resources. With the new regulations, it will be possible to use the criminal justice system—the courts—to impose the fines or deal with existing contraventions. Enforcement action by the MCA through the courts is extremely rare, but as I outlined at the beginning, because it is very rare, we would expect existing resources to be adequate to deal with any demand. The ability to impose fines has an important deterrent effect, particularly for foreign-registered vessels in UK waters, whether they are transiting, in port or at anchor, and particularly those which are persistent offenders. There is clearly a deterrent effect if we have the ability to impose a fine, which we currently do not have. I understand and would expect any such enforcement action to be very rare and for the cost to be met within existing budgets. I hope that gives the hon. Gentleman a little more detail.

Kevin Brennan: I am grateful to the Minister for that explanation, but I am none the clearer on how likely the provision is to be needed. If there is a deterrent effect on something, we do not know how often it happens. I would welcome further information, although I understand that he cannot give us that now.

Robert Courts: That is a reasonable and pertinent question. I undertake to go away and make the enquiries, and to write to the hon. Gentleman and the Committee with further detail. He tempts me to pick up my crystal ball, but it is of course impossible to judge how likely it is that any powers would be used. I understand that such enforcement action is extremely rare, but I appreciate that one person's definition of extremely rare may be different from another's. I will look for the information. In any event, having the ability to take the stronger powers would make the requirement to exercise them less rather than more likely, but I will certainly go away and look at that.

The hon. Gentleman raised some other points—broadly, what else are we doing? I do not want to stray too far into a wider clean maritime debate. This is London International Shipping Week, which the hon. Member for Wythenshawe and Sale East rightly drew attention to. There are a number of aspects to that, including the clean maritime demonstration competition, which is a £20 million fund and one of the largest such funds that the Department has announced. The competition is directly relevant to some of the technologies we are discussing in these regulations, and we will be announcing the winners this week.

Later today, I will be opening the new cruise terminal at Southampton port, which has shore power. That means that cruise ships can plug in and do not need to have their generators running in port, which will help with carbon dioxide, sulphur oxide and particulate emissions, as well as other emissions, and will take us a step forward.

Earlier this week, we announced that we will be pushing for a zero emissions target for international shipping at the IMO. We will be challenging the

international community collectively. The hon. Member for Cardiff West asked me what the UK is doing to push this forward; that is what we are doing, and it was announced a couple of days ago. We are pushing the international community to deliver a Paris-compliant outcome when the IMO renegotiates its strategy for climate change in 2023. So, that is our international work.

Domestically, we continue to make good progress on the commitments that we set out in the clean maritime plan, which was drawn up in 2019. We have provided £1.4 million of funding for a competition for innovation in clean maritime through Maritime Research and Innovation UK, a research agency. We have established the marine emissions reduction advisory service as a function of the Maritime and Coastguard Agency. We have undertaken research considering the role of maritime clusters onshore, which are companies in a certain area delivering clean innovation and growth. We are exploring the inclusion of maritime elements in the renewable transport fuel obligation as part of a public consultation.

We have built on the clean maritime plan itself. We had the Prime Minister's 10-point plan in November 2020. We have had the clean maritime demonstration competition, which I referred to earlier, and we will have the results of that later this week. Overarching all this is the transport decarbonisation plan, building on the clean maritime plan and developing our plans to navigate this tricky-to-decarbonise sector, all the way to net zero. There will be a series of consultations in the coming years as we build towards that.

I apologise for not mentioning before now the hon. Member for Gordon, but I think I have addressed some of his points. I am conscious that he raised points similar to those raised by other Members, and I hope I have answered them.

It has been a real pleasure to discuss the issues raised in the debate. As the hon. Member for Wythenshawe and Sale East and I have said, this is the right week to be discussing the subject, as it is London International Shipping Week, the industry event that showcases the important role of the sector globally and here in the UK. That is never more important than while we are still in this pandemic, and it is a timely reminder of how critical the sector is in keeping us all supplied. I know the whole Committee will join me in paying tribute to all those in the maritime sector, who have been unsung heroes, keeping us supplied and fed, sometimes in difficult personal circumstances, throughout the last two years. I know the Committee will join me in thanking them sincerely for that.

I hope the Committee has found the debate interesting and informative, and that it will join me in supporting the regulations.

Question put and agreed to.

9.53 am

Committee rose.

