

Mr Timo Harakka
Minister of Transport and Communications
Finland

Helsinki, 8 July 2021

Dear Executive Vice-President Timmermans,

I hope you are healthy and not too burdened by work during these summer weeks. This past June turned out to be record warm here in Finland. As the release of the FitFor55 proposal is approaching, I wanted to follow up my letter of 18 June on winter navigation in the context of emissions trading for maritime transport. To be frank, it is a huge disappointment to hear that the Commission does not intend to take winter navigation into account in its proposal.

I must reiterate the importance of maritime transport for Finland's foreign trade. About 85% of our total foreign trade and 95% of our goods trade with other EU countries rely on maritime transport. As all Finnish ports can have ice cover during a normal winter, we are absolutely dependent on ice-classed vessels and icebreaking.

Annually 70–80% of visits of ships to Finnish ports from foreign ports are made by vessels in the best ice classes. These vessels are built heavier and equipped with stronger engines than other vessels. When sailing in ice covered waters in the Baltic Sea area in the winter period, ice-classed ships consume 20–60% more fuel depending on their route compared to sailing in the same area in open water conditions. Even more importantly in terms of year-round operations, when sailing in open water, ice-classed ships consume about 2–5 % more fuel than ships designed for sailing in open water only.

I would like emphasize the importance of these ships to clean, safe and effective European short-sea shipping in the northern Baltic Sea. As vessel sizes have already grown and engine power levels have already diminished due to the constant strive for more cost-effective logistics and stricter environmental regulation, **fair treatment of ice-strengthened vessels is an urgent matter of maritime safety and logistical efficiency** in the northernmost parts of the Baltic Sea. I hope you

Mr Frans Timmermans
Executive Vice-President of the European Commission

understand, that failure to take these vessels into account in the ETS would most likely mean that we have more weak, non-ice-classed ships in traffic. They are vulnerable to harsh ice conditions and need more icebreaker assistance. This does not decrease emissions on the transport system level, but increases them and the likelihood of oil and chemical spills in vulnerable northern sea areas in wintertime.

The Treaty on the accession of Finland to the EU was accompanied with a Joint Declaration emphasizing the importance of maritime transport for Finland. According to the Joint Declaration, the challenges caused by physical conditions to Finland's vital transport connections need to be taken into account in all relevant EU initiatives¹. In our view, therefore, the maritime ETS must include a response to the specific concerns related to winter navigation.

I would like to underline that **our predicament is objective**: it is caused by geography, distance from the rest of Europe and climatic conditions, not some distorted structure in our shipping market or anomaly in our foreign trade. I sincerely hope you understand this.

The consideration of winter navigation in the maritime ETS is absolutely crucial to ensure both safety and the relative competitiveness of sea transports to the northern parts of Europe. Safety aspects and the burden of winter navigation has been taken into account in all relevant IMO regulations so far, including the Energy Efficiency Design Index (EEDI). If similar approach is not taken in the EU ETS, ice-strengthened ships and the foreign trade they serve will be penalized for ensuring safe, clean and efficient transport routes in the north.

The impact assessment linked to the Commission's proposal on emissions trading must include a proper assessment of the impacts of the emissions trading for maritime transport to the relative competitiveness of Member States. This assessment needs to be done at least on the European scale while taking into account economies outside of Europe.

Our experts in the Permanent Representation in Brussels and in the Ministry of Transport and Communications in Helsinki as well as I remain at your disposal in case you have any questions or would like to have some additional information.

Yours sincerely,



Timo Harakka
Minister of Transport and Communications
Finland

ⁱ 22. Joint Declaration on safeguarding Finland's transport links: The Contracting Parties, recognising that for Finland sea routes are especially important, due to geographical location, and particularly difficult to secure, due to climatic conditions, agree that due attention will be given to the maintenance and development of the Finnish maritime links with the rest of the Union in relevant Union initiatives, inter alia in connection with the development of the trans-European networks in Northern Europe.