



MARINE ENVIRONMENT PROTECTION
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Agenda item 4

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PREVENTION OF AIR POLLUTION FROM SHIPS

The revision of MARPOL Annex VI

Submitted by the International Chamber of Shipping (ICS)

SUMMARY

<i>Executive summary:</i>	ICS comments upon the outcome of BLG 12 and urges the adoption of stringent emission control limits through an area based approach in the shortest possible timescale
<i>Strategic direction:</i>	7.3
<i>High-level action:</i>	7.3.1
<i>Planned output:</i>	7.3.1.1
<i>Action to be taken:</i>	Paragraph 12
<i>Related documents:</i>	MEPC 56/4/14; BLG 12/6; MEPC 57/4 and MEPC 57/4/23

1 This document provides comments on document MEPC 57/4/23 and is submitted in accordance with paragraph 4.10.5 of the Committees, Guidelines (MSC-MEPC.1/Circ.1) and the relaxed deadline for comments papers on the air pollution item to MEPC 57 with prior authorization of the MEPC Chairman following consultations with the Secretariat in line with paragraph 4.12 of the Committees' Guidelines.

Introduction

2 The International Chamber of Shipping (ICS) offers its full support to the report of the IMO Informal Cross-Government/Industry Scientific Group of Experts (BLG 12/6/1) and applauds the work of the BLG Sub-Committee, its intersessional working group (BLG 12/6) and the outcome of work at BLG 12.

3 ICS is fully committed to the adoption of stringent and effective regulations for the reduction of air emissions from shipping in accordance with the timetable published by IMO, which includes adoption at MEPC 58. Since the amended text will not be subject to a ratification process, this brings a welcome immediacy to the Committee's debate. The high level approach of ICS was described in MEPC 56/4/14 and this referred to four principles through which it was hoped that the amended regulations could be guided and facilitated. These principles, which ICS still firmly holds, were; goal-based, and holistic approaches, the stimulation of innovation and the

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need to encompass short-term and long-term regulations. ICS is pleased to see the extent to which these guiding principles have been adopted in this complex process including the convening of the IMO Scientific Group of Experts.

4 Those who have thought carefully and deeply about the report of the Scientific Group of Experts will have noted the information provided on practical implementation issues. The encouragement for all of the world's ships to use distillate fuel is good in principle. The ensuing debate has not been about the principle of this concept but rather its practical application. Where there are serious concerns over fuel supply, regional distribution and market impact throughout the refining industry, then ICS has felt obliged to urge that IMO should exercise caution through not adopting regulations whose practical application could prove difficult and even damaging to the industry, especially if an unachievable timescale was to be applied. The Scientific Group of Experts' report puts these concerns into context in terms of supply and costs and demonstrates that whilst the concept appears attractive it could not be applied on a mandatory basis for many years and then only if the legislative background can be adequately shaped to ensure guaranteed supplies of compliant fuel in all of the appropriate geographical locations. Further, it would be necessary to examine the reductions in air emissions achieved through the current review of MARPOL Annex VI before exploring the mandatory application of a single fuel standard at a much later date.

Factors to be considered

5 Within the context of the above high level principles, ICS would also like to offer some more specific principles that MEPC is invited to take into account whilst finalizing the text:

- .1 the amended Annex VI will need to be widely implemented in order to be effective and ICS strongly urges urgent ratification action amongst those Member States who are not already a Party to this particular Annex;
- .2 new emission regulations should deliver their most measurable benefit in areas where ships operate close to centres of population and close to shore. Where science shows that the impact of shipping is of significantly less concern, as on the high seas, then there is a less compelling case for stringent reduction. This is not to say that reduction should be ruled out; merely that the response should be proportionate to the need. This further implies that the identification of areas for designation as Emission Control Areas should not be limited to just a few parts of the world. The world's population as a whole should be afforded precisely the same degree of protection;
- .3 freedom for ship operators to choose their compliance mechanism is greatly appreciated within the industry and is a valid means of protecting the industry from monopolistic situations. This implies that the need to specify a particular fuel as the only means to accomplish a goal should be avoided whilst at the same time recognizing that the most popular compliance options are likely to be confined to either distillate fuel or low sulphur HFO. Freedom from prescription is also the most effective means of stimulating future innovation. One feature currently missing from the draft text is the need for performance criteria for the exhaust gas monitoring and measuring equipment to be carried by ships choosing to operate abatement equipment or to use other innovative compliance solutions;

- .4 where future requirements are placed on new engines it is assumed that the capabilities of engine manufacturers have been taken into account and that compliant engines will be available for installation in new ships when required. The amended text should include a formal review, of the availability of technologies and equipment, at least three years before any carriage requirement would apply. Lessons arising from the lack of technological solutions for ballast water treatment equipment to meet carriage requirement dates must be learned and applied; and
- .5 the timing of application is a vital consideration. ICS wishes to see stringent regulations adopted without delay. However, careful thought must be given to the time taken to establish compliance solutions in a number of related industries, not least amongst refiners and bunker suppliers as well as in the ships. Recognizing that there will be pressures on the shipping industry to comply without delay, the Committee should be satisfied that the pressure is nevertheless reasonable and that solutions are deliverable. This latter point also takes into account the question of the availability of compliant fuel in port States around the world and this will also require to be formally reviewed well in advance of application dates. In the light of the evidence, the application dates themselves should be reviewed.

Amended MARPOL Annex VI

6 Regulation 13 – NO_x. ICS favours the area-based solution as the pragmatic response to the need to reduce emissions in the areas where the most damage to human health and the environment is caused. Appendix III on the designation of emission control areas is broadly supported. The need for new engines to be available from manufacturers in sufficient quantities to meet the building programme requires that the Annex must include a provision for a review of available technology at least three years before the operative date for this part of regulation 13. With respect to engines installed on ships prior to 1 January 2000, ICS takes the view that it has yet to be proved cost-effective to reduce emissions from a fleet that will be well into its lifespan when the regulation takes effect. The administrative and practical difficulties associated with the application of these measures lead ICS to strongly recommend that this diminishing population of ships should be excluded from a regulatory change.

7 Regulation 14 – SO_x and PM. The area-based approach is already included in the current Annex VI in the SECA concept. ICS has also indicated, above, that the area-based solution appears to be the most pragmatic approach deliverable with current technology and which keeps the options open for innovation. ICS notes that the current SECA concept appears to have provided some protection from damage to the designated areas but that there is room for a reduction in emission limits in these areas. ICS would welcome the adoption of further such areas under the principles outlined at Appendix III to Annex VI, noting that vulnerability has to be assessed. In principle, therefore, ICS supports Option 3. The concept of a micro-SECA in a limited geographical area, and where adoption by the Organization is somewhat simplified, is worthy of further development in this context. In emission control areas approved by the Organization, the SO_x limit could be capped at 1% in the very short term (2011) and reduced yet further to 0.5% in the medium term (2015). These measures will assist in the assurance of supplies of low-sulphur fuel and develop a growing availability of distillate fuel for the marine market. Thereafter a further lowering of the SO_x limit to say 0.1% could be supported, subject to the satisfactory resolution of two criteria; firstly that the necessary fuel supplies have been assured through a formal review process at IMO, and secondly that the potential to distort intermodal transport competition (to the detriment of the environment) has been addressed.

8 The global SO_x cap clearly needs to be reduced and the statistical significance of the current global average sulphur content of 2.7% needs to be considered; perhaps an acceptable figure could be 3%.

9 ICS is not comfortable with the draft regulation 14(8), contained in Options 1 and 2 only, which permits port States to set different limits by informing the Organization in advance. This would be better addressed by a standard “at berth” requirement, embodied in regulation 14 and which port States could elect to apply. The limit of 0.1% to be applied in Europe would seem to set a standard in this respect. Reduced sulphur content in fuel brings a commensurate reduction in PM emissions and ICS urges that the principle is adopted in Annex VI that no prescriptive limit for PM need to be set on the basis that other factors will deliver the required emission reduction.

10 Regulation 17 – Reception Facilities. ICS has often drawn the attention of the Committee to shortfalls in the general principles of waste reception in ports. This shortfall is probably the single biggest contributory factor inhibiting compliance with MARPOL requirements. This is the appropriate opportunity to make it clear that poor or inadequate reception facilities are an impediment to environmental compliance and to require, through this Annex (and others), a much higher standard of compliance by Member States. Text placing this obligation even more clearly on the shoulders of port States should be added to the Annex at this review.

11 Regulation 18 – Fuel Oil Quality. Concerns with poor quality bunker fuel and assurance of the delivery of fuel in sufficient quantity and of the right quality, are essential elements of this revision of MARPOL Annex VI. Much more emphasis is required on compliance at the point of delivery in this text. However, ICS does not agree that fuel standards should be drawn into the new text. In the commercial world, the ISO standard is universal. Duplication of the ISO standard in Annex VI is bound to create long-term alignment problems between the two organizations, to confuse suppliers and customers and ultimately inhibit compliance with the amended Annex VI. The most dependable way to ensure compliance is for port States to guarantee delivery of compliant fuels at the point of delivery. This provision would render fuel testing and examination of fuel through bunker delivery notes virtually redundant. ISO should be invited to review and revise the current standards.

Action requested of the Committee

12 The Committee is invited to consider the information provided and to decide as appropriate.