



# LOW SULPHUR FUEL EXPERIENCE BUILDING PHASE: DISPELLING THE MISCONCEPTIONS AND SUMMARIZING THE WAY FORWARD AFTER MEPC 73

The Marshall Islands Registry Lunch Seminar

Hong Kong

16 November 2018

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# EXPERIENCE BUILDING PHASE (EBP) PROPOSAL

Marine Environment Protection Committee (MEPC) 73/5/14: Safety implications and respective challenges associated with 2020 compliant fuels

- Developed further to ISWG-AP I outcome
- Within context of consistent implementation of Regulation 14.1.3 – but looking beyond 2020
- Institutionalized data gathering measure

Goal:

Gain experience in use of new fuels / ensure unsafe fuels do not enter market

Shipping Groups Propose Phased Start to 2020 Global Sulphur Cap  
by Bloomberg  
**Major stakeholders working to push back global sulfur carrying ban**  
BY LOUISE VOGORUP-SCHMIDT, NATRIVE GRONWALD RALIN  
Published 16 09 18 at 15:00  
A month before a critical IMO meeting concerning the 2020 industry stakeholders have called for a provision that casts doubts about the adoption of the new sulfur cap. (This article is part of a series on the IMO's new sulfur cap.)  
**IMO needs to prove it can be trusted over 2020, says Lim**  
16 09 18 at 15:00

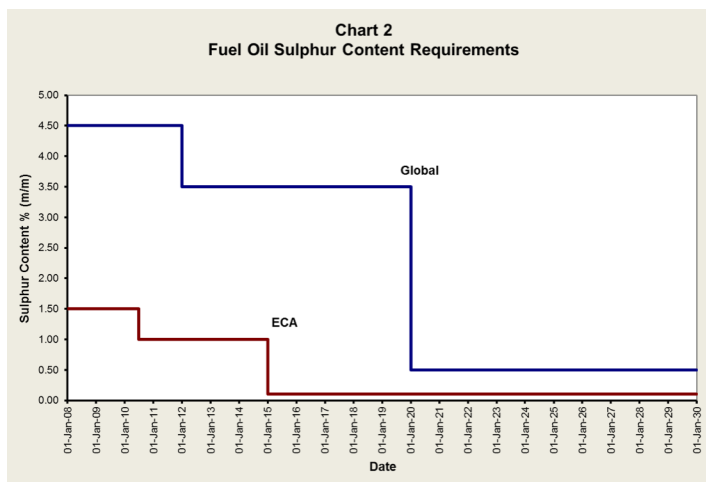
U.S. Seeks More Time for Ships to Switch to Cleaner Fuels  
Move revealed to review 2020 sulphur regulations  
Just over a month before the 2020 0.5% sulphur cap comes into force, some leading industry stakeholders are calling on the IMO to put together a database proving the safety of the new regulations. They also want to consider whether some aspects of the regulations should be reviewed.  
U.S. Seeks More Time for Ships to Switch to Cleaner Fuels  
Trump administration worries that costs for consumers and businesses will be driven up by a requirement that ships use cleaner fuels by 2020  
By Timothy Puko and Benoit Faucon  
Oct 18, 2018 6:12 p.m. ET

# MOVE TO DELAY

Misconception “The paper seeks to delay the 0.50% global fuel oil sulphur content standard (Regulation 14.1.3 of International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI)”

Protocol of 1997 (MARPOL Annex VI)

- 2008 revision – entered into force on 01 July 2010



Regulation 14 – Sulphur Oxides ( $\text{SO}_x$ ) and Particulate Matter (PM) Emissions

- $\text{SO}_x$  controlled by sulphur content in fuel
- Progressive reductions
- Fuel oil availability review – Resolution MEPC.280(70) – confirm 1/1/2020
- Tacit Amendment Procedures

# PRACTICAL AND PRAGMATIC ENFORCEMENT

Misconception “The paper implies a delay to the enforcement of the 0.50% global fuel oil sulphur content standard”

- No proposal in this regard
- “Practical and pragmatic approach by port State control (PSC) authorities” not included in ship implementation Guidance
- Call for application in consistent manner
- Regulation 10 – PSC on operational requirements
  - Article 6 (MARPOL 73)
- 2009 Guidelines for PSC under the revised MARPOL Annex VI (Resolution MEPC.181(59))



# UNDUE PENALIZATION

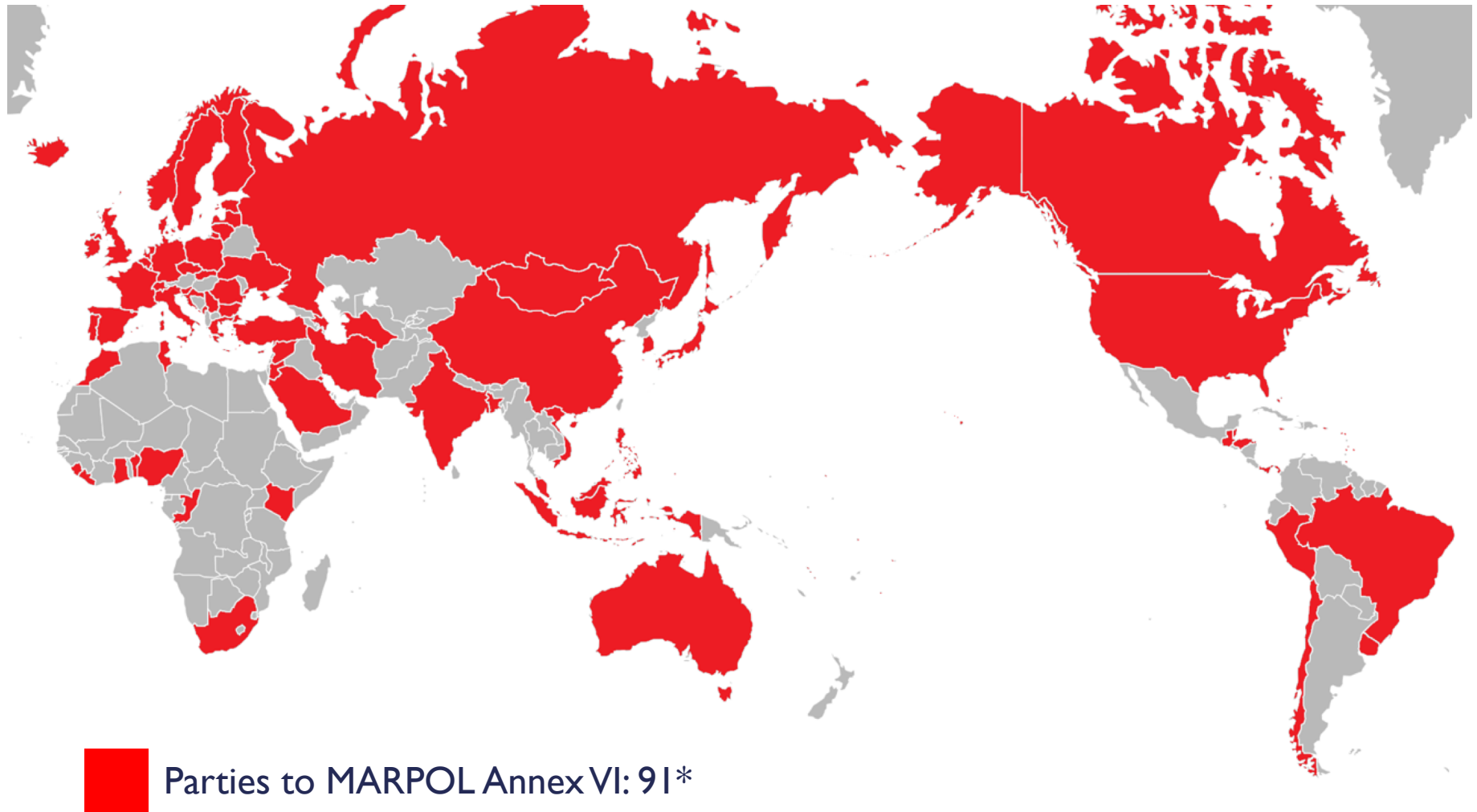
Misconception “The paper is not clear as to what constitutes undue penalization of individual ships”

- Regulation 18 – Fuel Oil Availability
  - ***“Each Party shall take all reasonable steps to promote the availability of fuel oils that comply with this Annex and inform the Organization of the availability of compliant fuel oils in its ports and terminals.”***
- Fuel oil non-availability situations
  - Flag / coastal Administration co-ordination



Source: AP

# CONSISTENT IMPLEMENTATION



*\* As of 16 October 2018 – International Maritime Organization (IMO)  
Global Integrated Shipping Information System (GISIS) Database / Status of Treaties*

# CARRIAGE PROHIBITION – ADOPTION

Misconception “The paper seeks to delay the adoption of the MARPOL Annex VI amendments prohibiting the carriage of non-compliant fuel”

- Amendments to Regulation 14 of MARPOL Annex VI – paragraph 1 is replaced by the following:

***“The sulphur content of fuel oil used or carried for use on board a ship shall not exceed 0.50% m/m.”***

- Amendment unanimously adopted (no reservations)
- Issued under Resolution MEPC.305(73)
- Entry into force – 01 March 2020
- No impact with regard to the effective date of the 0.50% global fuel oil sulphur content limit from 01 January 2020

# STRUCTURE OF THE EBP

Misconception “The functioning and timeline for the EBP is unclear”



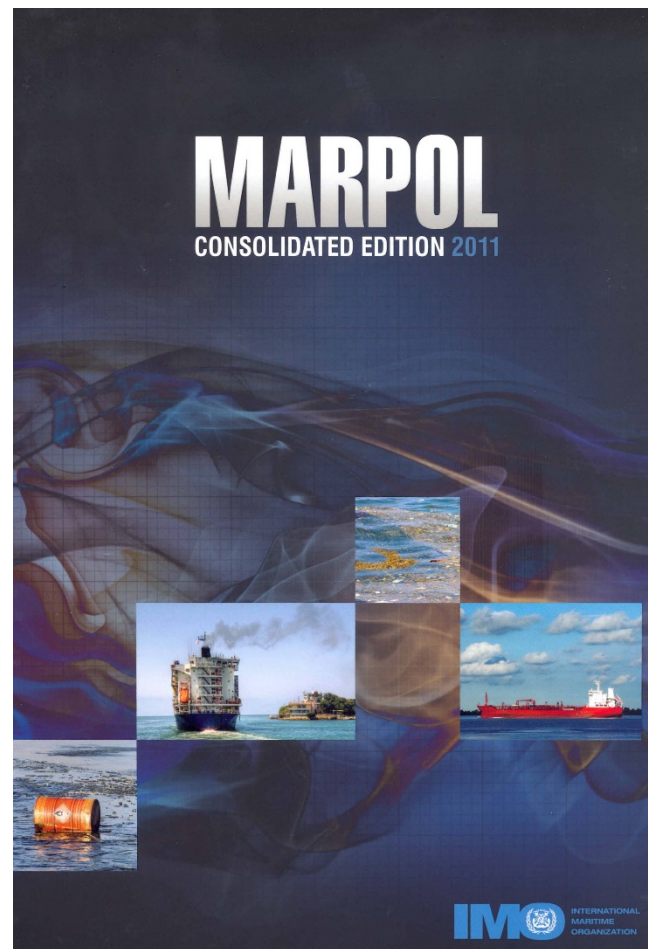
- Unique formalized data collection and analysis measure (appendix)
- No non-penalization provisions
- To be developed during period between MEPC 73 and MEPC 74
- Broad participation
- IMO GISIS database



# POSSIBLE REVIEW OF MARPOL ANNEX VI

Misconception “The EBP will lead to a revision of MARPOL Annex VI, which will create uncertainty and delay implementation”

- No effect on the 0.50% global fuel oil sulphur content standard
- End point for EBP
- No non-penalization provisions (not connected with implementation)
- Focus on Regulation 18
- Parties can propose amendments to the Convention under existing procedures



# MEPC 73 OUTCOME – EBP

- Considerable support – concerns on safety issues and fuel oil quality
- Concerns expressed regarding the term “EBP”
- Structure requires refinement – scope limited to Regulation 18
- Compromise way forward:
  - Invited further concrete proposals on how to enhance the implementation of Regulation 18 of MARPOL Annex VI
  - Focus on fuel oil quality and non-availability of compliant fuel oils
  - Enhancement of GISIS modules for data collection and analysis
- Development of new proposal to MEPC 74

# FUTURE TIMELINE

- Maritime Safety Committee (MSC) 100 (December 2018)
  - Consider outcome of Intersessional Meeting related to the safety implications associated with the use of low-sulphur fuel oil
- Pollution Prevention and Response (PPR) 6 (February 2019)
  - Finalization of remaining items from work plan / ISWG outcome
- MEPC 74 (May 2019)
  - Action on remaining items finalized at PPR 6
    - Approval of draft amendments to MARPOL Annex VI (subsequent adoption at MEPC 75 with entry into force in summer 2021)
  - Consider concrete proposal on enhancing the implementation on Regulation 18 of MARPOL Annex VI

# THANK YOU



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