

SUB-COMMITTEE ON POLLUTION
PREVENTION AND RESPONSE
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Agenda item 20

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ANY OTHER BUSINESS

Justification and scope for a new output on effective implementation of the 0.50% m/m global sulphur limit

Submitted by ICS, BIMCO, INTERTANKO, CLIA, INTERCARGO, IPTA and WSC

SUMMARY

Executive summary: This document proposes that the scope for this new output should focus on measures in four areas that are critical to effective implementation of the 0.50% m/m global sulphur limit under regulation 14.1.3 of MARPOL Annex VI

Strategic direction: 7.3

High-level action: 7.3.1

Output: No related provisions

Action to be taken: Paragraph 14

Related documents: PPR 4/2; MEPC 70/5/2, MEPC 70/5/24 and MEPC 70/18

1 This document is submitted in accordance with paragraph 6.12.5 of the *Guidelines on the organization and method of work of the Maritime Safety Committee and the Marine Environment Protection Committee and their subsidiary bodies* (MSC-MEPC.1/Circ.4/Rev.4) and comments on document PPR 4/2.

Introduction

2 At MEPC 70, the Committee agreed that the effective date of the 0.50% m/m global sulphur limit shall be 1 January 2020, as set out in regulation 14.1.3 of MARPOL Annex VI.

3 During the process of taking this decision, MEPC 70 also considered a number of documents submitted and interventions made by Member States and NGOs addressing issues of fuel oil availability in general, including experience from introduction of the 0.10% m/m sulphur limit in ECAs, fuel oil quality relating to ISO 8217:2012 and the ability of some regions to produce the required amount of low sulphur fuel.

4 In addressing these issues, MEPC 70 concluded (MEPC 70/18, paragraph 5.55.4):

"in recognizing the concerns expressed regarding implementation, agreed to forward document MEPC 70/5/2 and relevant comments made in plenary to PPR 4, for further consideration and to draft a justification and scope for a new output on what additional measures may be developed to promote consistent implementation of the 0.50% global sulphur limit, for consideration at MEPC 71."

5 Paragraph 2.1.11 of document PPR 4/2 sets out the task before the PPR Sub-Committee as follows:

"Justification and scope for a new output on what additional measures may be developed to promote consistent implementation of the 0.50% global sulphur limit."

New output for MEPC on additional measures to promote consistent implementation

6 Japan, Liberia, Marshall Islands, Panama, Republic of Korea, Vanuatu, ICS, BIMCO, CLIA, IBIA and WSC outlined in document MEPC 70/5/2 issues that can be expected to arise with implementation of the 0.50% m/m sulphur limit and invited the Committee to consider a process to examine what additional measures may be taken to promote consistent implementation of the 0.50% m/m global sulphur limit. The Committee agreed with this recommendation and directed PPR 4 to develop the justification and scope of work for this new output.

7 With the decision taken at MEPC 70 to maintain 1 January 2020 as the effective date of the 0.50% m/m global sulphur limit, the time to discuss, agree and implement additional measures to promote consistent implementation is limited. The co-sponsors urge this Sub-Committee to ensure the PPR 4 outcome delivered to MEPC 71 is comprehensive in scope, enabling the Committee to deliberate in full on all aspects of this important issue.

8 In the view of the co-sponsors, the justification for the new output should incorporate the concerns identified in document MEPC 70/5/2 and consider relevant points raised in document MEPC 70/5/24 (ISO) and in comments recorded in the report of the Committee (see MEPC 70/18, paragraphs 5.53.1 to 5.53.24) that reflect on issues concerning the safe handling and use of fuel oil under the 0.50% m/m global sulphur limit.

The scope of a new output

9 Document MEPC 70/5/2 presents an indicative list of possible actions for discussion on this important issue. It is clear that there are a variety of specific actions relating to implementation that should be considered by the Committee, but it would be premature to suggest that a list of specific actions could identify the entire range of possible actions the Committee may wish to consider on this matter. For this reason, the co-sponsors suggest that the scope for a new output is organized into four primary subject areas. These will serve as an organizing framework for the new output to facilitate the subsequent discussion that will be more detailed in nature. The four recommended areas are:

- .1 **initial transitional issues** that arise with a sudden shift from the 3.50% m/m sulphur limit that applies on 31 December 2019 to the new 0.50% m/m limit that begins on 1 January 2020;¹
- .2 **impact on machinery systems** that can be expected to arise with use of fuel oils with a 0.50% m/m sulphur limit, especially potential safety concerns that may arise from the use of new fuel sources and blends;
- .3 **verification issues and mechanisms** that are necessary to ensure a level commercial landscape including efforts to ensure that compliant fuel is delivered for use on ships; and
- .4 **any regulatory amendments or guidelines** necessary to address issues raised in items 1 to 3 above or otherwise considered necessary to promote consistent implementation of the 0.50% m/m sulphur limit.

10 In considering the four areas noted above, the Sub-Committee should also consider an appropriate timeline for introduction of specific measures including any amendments or guidelines that may prove necessary.

Additional comments/observations

11 Practical considerations to compliance should be sought keeping in mind that ships cannot ascertain the sulphur level of fuels being delivered to ships prior to or during bunkering operations. This implies that any non-conformity is discovered only days after bunkering operations have taken place, and often after the ship in question has left its bunkering port. Due consideration to the seriousness of the non-conformity and best efforts by the receiving ship to purchase compliant fuel should be sought.

12 It may be anticipated that not all ports or regions will be ready to supply 0.50% m/m fuel by 1 January 2020 as already suggested by some Member States. Regulation 18 of MARPOL Annex VI contains a provision for this matter to be taken into consideration by Administrations and to allow ships which could not obtain compliant fuels, to trade under certain conditions when providing a notice concerning fuel oil non-availability. The co-sponsors suggest the parameters for such reports should be formally recognized through guidelines to be developed by the Organization.

13 The 0.50% m/m sulphur limit will be enforced by a combination of flag State, port State and bunker State rules, procedures and controls. An assessment of the roles and responsibilities of these stakeholders should form part of the scope of the new output. Specifically, in light of the possible safety implications and the cost to the industry as a result of the introduction of the 0.50% m/m global sulphur limit, assurance of its effectiveness is important not only to the industry itself, but also to IMO Member States and the wider society. The co-sponsors recommend that full consideration should be given to suitable verification mechanisms including requirements that apply to fuel stocks prior to their delivery to ships.

¹ Recognizing that ships will continue to carry high-sulphur fuels until very shortly before the implementation date, it is unrealistic to expect all ships to empty their tanks for such fuels prior to, or immediately after, the implementation date. In light of this temporary transitional issue, the Committee should consider a time-limited transition in the first part of 2020. During this period, compliant 0.50% m/m fuel will be bunkered and older fuel stocks will be quickly consumed.

Action requested of the Sub-Committee

14 The Sub-Committee is invited to consider the views noted in this document and to specifically consider the proposal to define the new work output as outlined in paragraphs 9 and 10 and to take action as appropriate.
