

# **BPO seminar in Helsinki 15.6.2012**

## **Implications of the IMO regulations on the future pattern of the cargo flow in the Baltic**

**How the shipping line are adjusting to new rules?**

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# **Finnish Shipowners' Association (from 1.6.2008)**

- 27 member companies
- 103 vessels under Finnish flag (31.12.2011)
- 7 newbuildings
- The members have 48 vessels under foreign flag
- And 77 time-chartered vessels under other flags
- The members employ some 5.500 Finnish seamen on the Finnish flagged vessels



# **The outcome of the third trilogue on 15 May 2012**

- Proposal for a Directive of the European Parliament and of the Council amending Directive 1999/32/EC as regards the sulphur content of marine fuels (First reading)



# MARPOL exemptions

## Article 4a – paragraph 1 – subparagraph 2

- The Commission shall have due regard to **any future changes to the requirements pursuant to Annex VI to MARPOL [...]** applicable within SOx Emission Control Areas and, where appropriate, without undue delay make any relevant proposals with a view to amending this Directive accordingly.

- + new recital 6a:

*(6a) Amendments to Annex VI of MARPOL regarding SECAs are possible under IMO procedures. In the event that further changes, **including exemptions**, are introduced with regard to the application of SECA limits in Annex VI to MARPOL, the Commission should consider any such changes and, where appropriate, **without delay make the necessary proposal** in accordance with the Treaty to fully align this Directive with the IMO rules regarding SECAs.*



# Financial measures

## New Article 4f

- **Member States may adopt financial measures** in favour of operators affected by this Directive where such financial measures are in accordance with State aid rules applicable and to be adopted in this area.
- + new recital 11c:  
*(11c) In accordance with **existing guidelines** on **State aid for environmental protection**, and without prejudice to future changes thereof, Member States may provide state aid in favour of operators affected by this Directive, including aid for retrofitting operations of existing vessels, if such aid measures are deemed to be compatible with the internal market in accordance with Articles 107 and 108 of the Treaty, in particular in light of the applicable guidelines on State aid for environmental protection. In this context, the Commission may take into account that the use of some abatement methods go beyond the requirements of this Directive by reducing not only the SO<sub>2</sub> emissions but also other emissions.*



# The sulphur directive and Marpol Convention must be consistent

- It is important that sulphur directive and the MARPOL convention has the same regulations to get exemptions related to **testing and installing** abatement technologies.
- **Interpretation of new technology** should cover scrubber installations, LNG and biofuel developments.
- ECA states should **propose a text to the Article 4e** which *is consistent with the regulation 3 point 2.1. of the MARPOL Annex VI and make sure that the political interpretation covers test/trial projects of scrubber, LNG and biofuel technology.*



# Option:

- The time periods foreseen in MARPOL Annex VI regulation 3 point 2.1 enables to have 18 + 18 months sea trial period for a ship with a machinery power approximately less than 3500 kW. The regulation 3 point 2.2 enables maximum 5 years trial period for a ship with a machinery power more than 3500 kW.
- This exemption text must also be incorporated into the directive.
- The present directive text comprises only an 18 months trial period.





# Penalties

## Replace Article 11 as follows:

- **Member States shall determine the penalties** applicable to breaches of the national provisions adopted pursuant to this Directive.
- 2. The penalties determined must be effective, proportionate and dissuasive and may include [...] fines calculated in such a way as to make sure that the fines at least deprive those responsible of the economic benefits derived from their infringement and that they gradually increase for repeated infringements.
- + new recital 12k:  
*(12k) Effective, proportionate and dissuasive penalties are important for the implementation of this Directive. Member States should include fines calculated in such a way as to make sure that the fines at least deprive those responsible of the economic benefits derived from their infringement **and that they gradually increase for repeated infringements**. Member States should notify these provisions to the Commission.*





# Fuel availability

... endeavour to ensure....

+ addition to Art. 7(1) subpara 2:

- On the basis of the reports received in accordance with the first subparagraph and the notifications regarding the non-availability of compliant marine fuel submitted by Member States in accordance with the last subparagraph of Article 4a(5b), the Commission shall, within 12 months from the date referred to in the first subparagraph, draw up and publish a report on the implementation of this Directive. The Commission shall evaluate the need for further strengthening of the relevant provisions of this Directive and make any appropriate legislative proposals to that effect.
- Flashpoint for MGO and Automotive diesel?



# Review clause

## Article 7(2):

- By December 2013 the Commission shall submit a report to the European Parliament and to the Council which shall be accompanied, if appropriate, by legislative proposals. The Commission shall consider in its report the potential for reducing air pollution taking into account, inter alia: annual reports submitted in accordance with paragraph 1 and 1a, observed air quality and acidification, **fuel costs**, potential economic impact and observed modal shift and progress in reducing emissions from ships.
- + new recital 12j:  
(12j) The Commission should as part of its air quality policy review in 2013 consider the possibilities of reducing air pollution, **including in the territorial sea of Member States**.
- + Statement by the Commission concerning ongoing work in the context of reviewing the EU Thematic Strategy on Air Pollution (preliminary draft)
- "Without prejudice to the ultimate outcome of the review, the Commission confirms that it is assessing, amongst several scenarios, the costs and benefits of additional measures to reduce air pollution from shipping, **including the impacts of applying a maximum fuel sulphur standard of 0.1% in territorial waters**."



## Recital 6 alignment to Art. 3a

- ...marine fuel the sulphur content of which exceeds the general standard of 3.5 % by mass should not be allowed for use in the Union **except for fuels supplied to ships using emission abatement methods operating in closed mode.**



# Recital 12h on port reception facilities

- (12h) Alternative abatement methods such as some types of scrubbers could generate **waste that should be handled properly and not be discharged in the sea**. Pending the revision of the Directive 2000/59/EC of the European Parliament and the Council of 27 November 2000 on port reception facilities for ship generated waste and cargo residues, Member States should ensure, in accordance with their international obligations, the availability of port reception facilities adequate to meet the needs of ships using exhaust gas cleaning systems. In the revision of Directive 2000/59/EC, the Commission should consider the inclusion of **waste from exhaust gas cleaning systems under the principle of no special fee applying to port fees for ship-generated waste** provided for in that Directive.



## Recital 13, alignment to Art. 4c(4a)

- (13) In order to ***amend*** the ***criteria*** for ***the*** use ***of emission abatement methods*** ***and*** ***in such a way as*** ***to ensure strict consistency with the relevant instruments of the IMO***, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission



# Connecting Europe Facility (CEF) in the 2014-2020 budget

- The European transport industry is very concerned that not enough funds will be available to cover investment needs.
- 21 billion €, is earmarked by the EU COM for the entire transport sector in EU to be shared over the time period 2014-2020.
- The Finnish share is estimated to be approx. 1 %. Accordingly a total of 210 MEUR which amounts to 34 MEUR/ year. A schematic allocation between the four transport modes in Finland means a share of 8,75 MEUR/year for shipping.



# Thank you for your attention!

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