



Directive 2005/33/CE

on sulphur content in marine bunkers

Safety issues

**in its implementation
on oil and LNG tankers**



INTERTANKO



SIGTTO

EMSA (Lisbon) – 15 October 2009

ECSA

European Community Shipowners' Associations



- **Manuel Carlier**

- Chairman: ECSA's Shipping Policy Committee
- Director General: Spanish Shipowners Associations (ANAVE)

ECSA



European Community Shipowners' Associations

- Thanks to:
 - EMSA and the European Commission for organizing this workshop
 - AEA for the very useful report which summarizes the present situation
 - Other international organizations of shipping, oil and gas companies which have agreed to share the time slot allocated for this industry presentation
 - **INTERTANKO:** Mr. Dragos Rauta and Mr. Iain Relf
 - **OCIMF:** Mr. Cliff Proctor
 - **SIGTTO:** Mr. Bill Wayne

AEA report

- Fully **confirms** the existence and importance of the **safety issues** identified by the industry for oil and LNG tankers with HFO boilers.
- **Recognises** that there were reasons for the industry to believe that the Directive was going to be reviewed before 1 Jan 2010.
- Evaluates:
 - **The fleet to be transformed** in about **260 LNGs** and **2500** tankers (**1400** of which have steam cargo pumps according to OCIMF).
 - Average refit costs in about **150.000 euro** per oil tanker and about **600.000 euro** per LNG. These figures do not include costs from **immobilisation** and other additional costs such as **structural modifications** to provide fuel storage segregation.
- The report does **not include**:
 - **Cost benefit analysis**, although the report title refers to it.
 - **Specific ways forward**. (Maybe not in the TOP)

INTERTANKO / OCIMF

- Issues found in Auxiliary Steam Boilers of Oil Tankers
- **Mr. Dragos Rauta**
 - Technical Director (INTERTANKO)



SIGTTO

- Issues found in Main Steam Boilers of LNG Tankers
- **Mr. William Wayne**
 - General Manager (SIGTTO)



Joint industry Conclusions

- AEA report confirms the **serious safety concerns** raised by the industry about the use of distillate fuels in marine boiler systems designed for use on HFO.
- Shipping industry and manufacturers are **willing to comply** and working hard on finding safe solutions but every single case must be assessed individually and in many cases, **engineered solutions have not been available in the market until very recently.**
- **260 LNGs** and a significant proportion of the **2500 tankers** cannot realistically, comply by 01/01/2010.

Joint industry Conclusions

Elements that should be taken into account (1):

- ECSA, Intertanko and other industry organizations wrote to DG **prior to the Directive adoption and later in 2006 and 2007** identifying the safety issues arising from the use of distillate bunkers in marine boilers designed to work on HFO.
- From the wording of the Directive, it appears that **no consideration was given to these issues at the time of drafting.**
- The full **Impact Assessment Report** is not going to be available until after the implementation date.
- The **AEA report** is useful but has not been made public until 6 October 2009.

Joint industry Conclusions

Elements that should be taken into account (2):

- According to Art. 7 of the Directive, **the Commission should have submitted a review report and proposals by 2008.**
- One of the **key criteria** for this review (Art. 7.2.c) is the progress of the sulphur emissions regulation **in IMO.**
- **IMO agreed in October 2008** on major amendments to MARPOL Annex VI.
- The industry had **reasonable expectations** that Directive 2005/33 could be aligned with the enhanced Annex VI provisions or, at least, **amended to take into account the safety concerns about HFO boilers** raised by the industry.

Joint industry Conclusions

Proposed way forward:

1. For LNG steam ships that technically can use 'equivalency' method:

- They may burn Boil-Off Gas as a primary fuel, producing zero or very low sulphur emissions in normal “at sea” conditions.
- Can be adapted to burn at berth a mixture of HFO and BOG to produce lower sulphur emissions than with 0.1% distillate.
- This ‘equivalency’ approach **should be confirmed as complying** with art. 4.c.4 of Dir. 1999/32, as amended by Dir. 2005/33.
- Ships using this equivalence approach should be considered also compliant with the Directive **in the very exceptional circumstances in which they have no gas on board.**

Joint industry Conclusions

Proposed way forward:

2. For oil tankers, and for LNG steam ships that cannot apply 'equivalency' method:

- Intertanko, OCIMF and SIGTTO are asking for phasing-in of the obligation to comply until **01.01.2011**, in order to facilitate that the refits are made in the **best safety conditions**.
- In order to benefit from this, shipowners will have to demonstrate that **they have already started the procedure to carry out the necessary refits**.
- Evidence would be given by plans and documents/contracts/agreements with manufacturers.
- The same phasing-in period applicable to LNG carriers opting for the "equivalence" solution.



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Thank you very much
for your attention

At your disposal in
the Discussion