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# Low Sulphur Norms for Shipping

## Meeting the 1 January 2015 deadline

**Patrick Verhoeven**

**ECG Conference – Amsterdam, 17 October 2014**



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# Summary

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- 3. Implementation and enforcement**
- 4. Legal and technical issues**
- 5. Financial support**
- 6. Economic impact**
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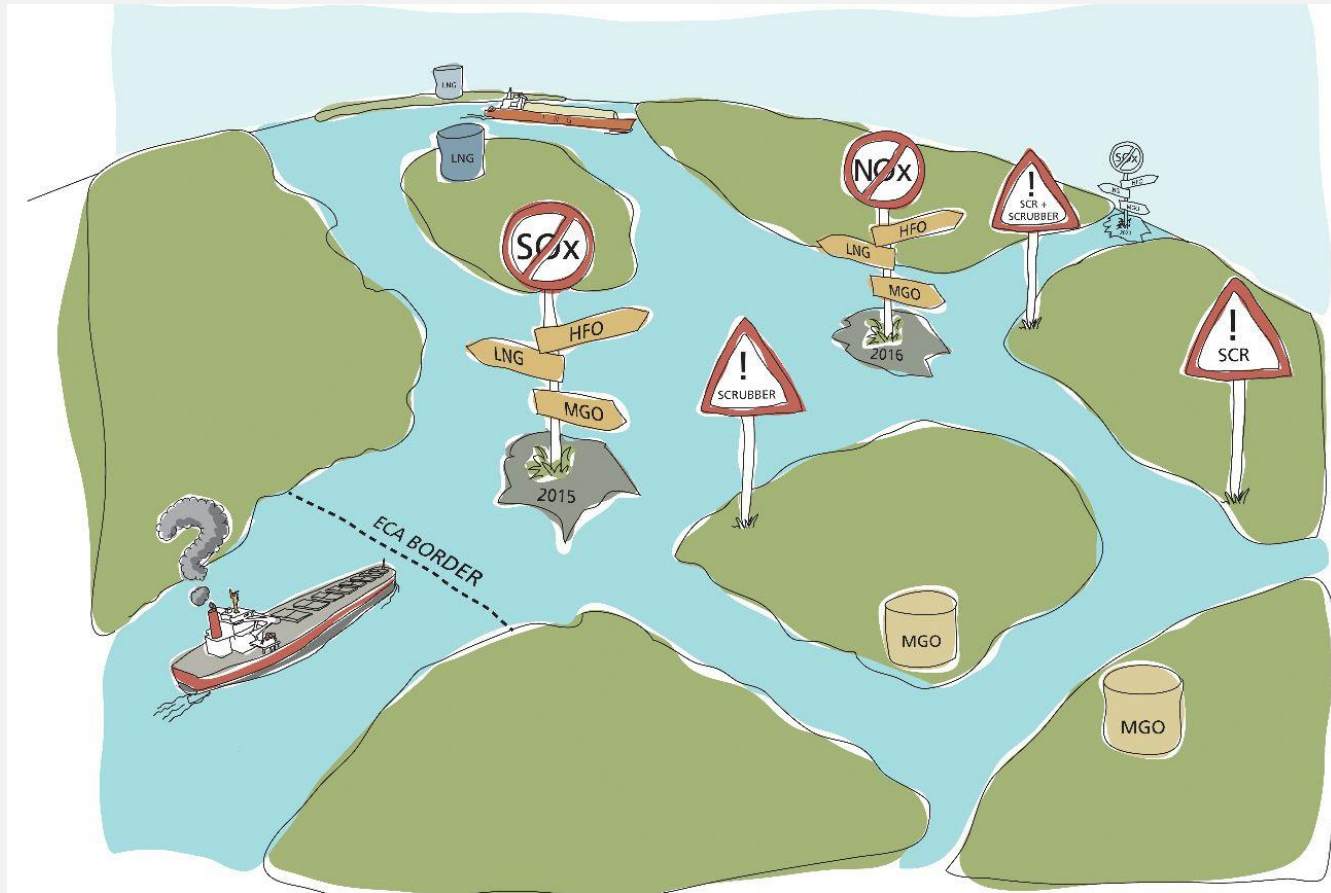
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# 1. Introduction



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## 75 days to go ...



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## **2. European Sustainable Shipping Forum**



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## Background

- ▶ **Set up in 2013 to assist European Commission in implementing EU sustainable shipping policy**
- ▶ **Current focus: introduction low sulphur norms in North Europe**
- ▶ **Platform for dialogue, exchange of knowledge, cooperation and coordination between Member States and stakeholders**
- ▶ **ESSF Plenary: 60 members (28 Member States + 32 stakeholders)**
- ▶ **ESSF Subgroups:**
  - Marine LNG
  - Exhaust gas cleaning systems
  - Implementation of the Sulphur Directive
  - Financing aspects
  - Research & innovation
  - Competitiveness of EU maritime transport



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# Priorities for 1 January 2015

- **Implementation and enforcement**
- **Legal and technical questions**
- **Financial support**
- **Economic impact**





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# **3. Implementation and enforcement**



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- **Directive transposed in national legislation (by 18 June 2014)**
- **Enforcement practicalities:**
  - Guidelines for Port State Control
  - Guidance on sampling
- **Industry calls for harmonised and realistic implementation**
- **Towards a 'fair level playing field'**
- **Pragmatic enforcement, based on fuel temperature readings and oil record books, logbooks and/or bunker delivery notes**



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# 4. Legal and technical questions





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- ▶ **Legal certainty and clarity about use of open-loop scrubbers in ports (Water Framework Directive)**
- ▶ **More awareness about potential hazards related to fuel switchover – need for clear procedures and appropriate training**



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# 5. Financial support



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- **National support measures**
- **EU funding under TEN-T / CEF (Sept 2014 call)**
- **Innovative financing tools**





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## **6. Economic impact**



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### DFDS chops route

**Danish ro-ro group DFDS is closing its Esbjerg to Harwich route due to the costs of new sulphur emission rules.**



DFDS: route axed

The Denmark to England run will go at the end of September, with freight volumes to be switched to the Esbjerg-Immingham service.

The move will see the end of its passenger services between Denmark and England.

The company said: "The consolidation of the two routes is part of DFDS' strategy to adapt the route network to the introduction of new sulphur emission rules on 1 January 2015.

"The new rules will considerably increase the cost level of the Esbjerg-Harwich route. Moreover, freight volumes between Denmark and southern England have been declining in recent years."

Revenue on the axed service was DKK 190m (\$35.18m) in 2013, more than half of which was generated by passengers, meaning a likely drop in revenue of DKK 125m.

Crew will be offered new roles with the owner, with the single ship operating the

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## ► **Short term:**

- ECSA survey under auspices ESSF
- Inquires about compliance methods, observed economic impact, including modal shift effects
- Launch October 2014, quarterly updates 2015

## ► **Medium term**

- Full impact study DG Move in context of review maritime strategy / short sea policy



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# 7. Conclusions



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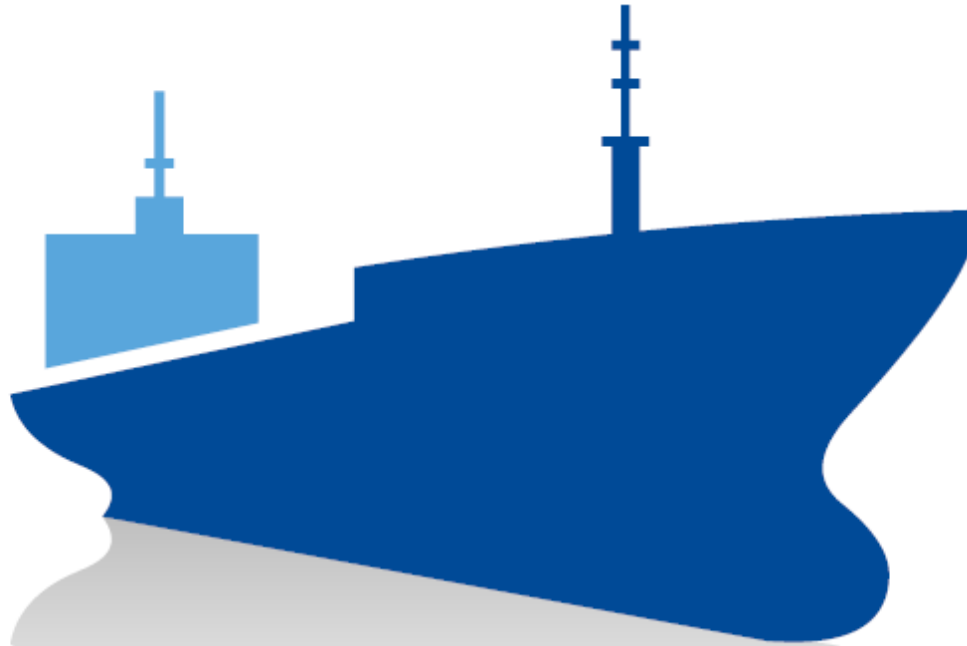
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- Meeting the 1 January 2015 deadline remains challenging
- The ESSF has proved to be a useful platform to deal with outstanding technical and legal matters
- Implementation and enforcement must be realistic and pragmatic, aiming at a fair level playing field
- Meanwhile, the next deadline (2020) is approaching fast
- And other environmental challenges lie ahead
- Lessons must be learned from the 'sulphur experience'
- Europe needs a revitalised (short sea) shipping policy



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# 2015

## EUROPEAN SHIPPING WEEK

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