

P&I Newsletter JANUARY 2019

CHINA ISSUES NEW REQUIREMENT REGARDING EMISSION CONTROL AREAS

Our Chinese P&I Correspondent Huatai Insurance Agency & Consultant Service Ltd. reports on new regulations regarding requirements of emission control areas in Chinese territorial waters. Whilst the map below illustrates marked in yellow relevant prohibited areas(which are Inland River ECAs, port areas in Coastal ECAs and the Bohai Sea), it should be noted, that China has declared prohibition within straight baselines along parts of its coast (find exact coordinates in P&I Correspondent's Circular here).



Emission Control Requirements

- (1) Oxysulfide and PM emission control requirements
- 1. From 01.01.2019, ocean-going vessels are required to use fuel with low sulphur content not exceeding 0.5%m/m when entering into emission control areas. Large inland vessels and river-coastal vessels shall use fuel oil that meets newly revised GB standard. Other inland vessels are required to use diesel oil that meets relevant standard. From 01.01.2020, ocean-going vessels are required to use low sulphur content fuel not exceeding 0.1%m/m when entering Inland Water ECA.

- 2. From 01.03.2020, vessels without taking alternative measures, such as installing PM and oxysulfide control device are only permitted to carry and use fuel oil specified in this regulation when entering into emission control areas.
- 3. From 01.01.2022, ocean-going vessel are required to use low sulphur content fuel not exceeding 0.1%m/m when entering Hainan costal ECA.
- 4. Chinese authority will evaluate the feasibility of using low sulphur content fuel no more than 0.1%m/m at an appropriate time and decide whether or not to require oceangoing vessel to use fuel with sulphur content not exceeding 0.1%m/m when entering coastal ECA from 01.01.2025.
- (2) Oxynitride emission control requirements
- 5. For international navigating vessels built on/after 01.01.2000 (subject to the date of laying keel, hereinafter the same) or undergone major modification of a marine diesel engine, if the output power of a single marine diesel engine exceeds 130 kW, the vessel shall meet the Tier I oxynitride emission limits stipulated by MARPOL.
- 6. For international navigating vessels built on/after 01.01.2011 or undergone major modification of a marine diesel engine, if the output power of a single marine diesel engine exceeds 130 kW, the vessel shall meet the Tier II oxynitride emission limits stipulated by MARPOL.
- 7. For Chinese domestic navigating vessels built on/after 01.01.2015 or undergone major modification of a marine diesel engine, if the output power of a single marine diesel engine exceeds 130 kW, the vessel shall meet the Tier II oxynitride emission limits stipulated by MARPOL.
- 8. For Chinese domestic navigating vessels built on/after 01.01.2015 or undergone major modification of a marine diesel engine, who sailed into the Hainan coastal ECA and Inland Water ECA, the vessel's marine diesel engine with single cylinder displacement no less than 30 liters shall meet the Tier III oxynitride emission limits stipulated by MARPOL.
- 9. Chinese authority will evaluate the feasibility of implementing Tier III oxynitride emission limits stipulated by MARPOL, in order to decide whether the marine diesel engine with single cylinder displacement no less than 30 liters, which equipped on Chinese domestic navigated vessels built on/after 01.01.2015 or undergone major modification of a marine diesel engine, shall meet the Tier III oxynitride emission limits stipulated by MARPOL.
- (3) Requirements of using shore power by vessel in port
- 10. The Chinese public service vessels, inland river vessels (with exception of liquid cargo vessel) and river-coastal vessels build on/after 01.01.2019 shall be equipped with ship shore power system ship-borne device. The Chinese domestic coastal container ships, cruises, ro-ro passenger ships, passenger ships with a gross tonnage at least 3,000 tons and dry bulk cargo ships with a gross tonnage at least 50,000 tons build on/after 01.01.2020 shall be equipped with ship shore power system ship-borne device.
- 11. From 01.07.2019, shore power shall be used if vessels equipped with shore power system ship-borne device (with the exception of liquid cargo vessel) at berth with onshore power supply capacity for more than 3 hours in the Coastal ECA, or get alongside berth with onshore power supply capacity in the Inland Water ECA for more than 2 hours and without using other equivalent alternative measures (including the use of clean energy, new energy, ship-borne electrical storage device or closing the auxiliary engine, etc., hereinafter the same). From 01.01.2021, shore power shall be used if a cruise gets alongside berth with onshore power supply capacity for more than 3 hours and without using other equivalent alternative measures in the ECAs.
- 12. From 01.01.2022, Chinese public service vessels, inland river vessels (with the exception of liquid cargo vessel) using single marine diesel engine power output of more than 130 KW but do not meet the Tier II oxynitride emission limits stipulated by MARPOL, and the

Chinese domestic coastal container ships, ro-ro passenger ships, passenger ships with a gross tonnage of at least 3,000 tons and dry bulk cargo ships with gross tonnage of at least 50,000 tons are required to install shore power system ship-borne device. Shore power shall be used if vessels get alongside berth with onshore power supply capacity for more than 3 hours in the Coastal ECA, or berthing at port with onshore power supply capacity for more than 2 hours in the Inland Water ECA, without using other equivalent alternative measures.

13. Chinese shipping enterprises and operators are encouraged to install shore power system ship-borne device on vessels other than those specified in article 12, and to use shore power when getting alongside berth with onshore power supply capacity in the emission control area.

(4) Others

- 14. Vessels may take alternative measures, such as using clean energy/new energy, equipping with power storage device, exhaust gas cleaning system etc. to satisfy the emission control requirements. If the vessel using exhaust gas after-treatment method, the emission-monitoring device shall be installed, and the generated wastewater waste liquid shall be disposed according to relevant regulations.
- 15. The local governments of other inland water area are encouraged to adopt the requirement of the Inland Water ECA and lodge request to ocean-going vessels to use low sulphur content fuel when entering into local waters.
- 16. Domestic oil tankers with no less than 150 tons and build on/after 01.01.2020 are required to have oil and gas recovery condition when entering into ECAs and encouraged to conduct oil and gas recovery if safety requirement can be satisfied. Foreign-going vessels shall comply with the emission control requirements for volatile organic stipulated by MARPOL.
- 17. Vessels should strictly implement other existing international conventions, domestic laws and regulations on emission control requirements for atmospheric pollutants. Given the above, owners are reminded to ensure satisfaction of relevant requirements mentioned in the regulation above when entering into Chinese territorial waters as from 01.01.2019 to avoid any penalty or problems.

INCREASED POLLUTION FINES IN TURKEY

We refer to the most recent Ingosstrakh Circular concerning new amendments regarding fines for marine pollution in Turkey sent on to Owners of insured vessels. The Circular mainly concerns the issue of a drastic increase of fines for pollution in Turkish waters. Owners shall pay their utmost attention while calling Turkish ports as severe fine may follow even for very small pollution, as the fine amount calculates with reference to the size of the vessel and nature of the pollutant, not the quantity of the same. Masters of vessels navigating in Turkish waters must ensure strict compliance to MARPOL, and be familiarized with local pollution regulations in advance. The current regulations may be requested from Owners' local agent. Masters and crew shall ensure all the ballast and bunkering equipment is checked, discharge valves closed, secured, sealed and periodically tested for tightness. It is also strongly recommended to abstain from scraping, chipping and painting of the vessel's hull in Turkey. Special attention should be paid during vessel's stay in repair facilities, as Turkish authorities will held the vessel liable for any pollution incidents, even if caused by the negligence of the shipyard or contractors.

SUNDA STRAITS – UPDATE 21 JANUARY 2019

Following the fatal tsunami in Indonesia as a result of the eruption of the Anak Krakatau, our P&I Correspondent in Indonesia SPICA Services provides an update for Owners navigating in South East Asia area.

Volcanic Activity – 5 km exclusion zone: The last significant earthquake in the Sunda Straits area was recorded on 17 Jan 2019 0700UTC magnitude 3.7 at a depth of 10 km and 22 km from the volcano in the Sunda Straits area. There is smaller daily activity, but reports indicate that seismic activity in the area is decreasing. Latest eruption with volcanic ash cloud recorded at 11:11 UTC (18:11 local) 19 Jan 2019. The eruption lasted for 45 seconds. The National Disaster Management Agency (BNPB) designates Mount Anak Krakatau LEVEL III. This means that the public should be on standby as there may be an eruption. There is still a 5 km exclusion zone in effect. As of 19 Jan 2019, 0900H Lt., the Port Authority of Banten, the authority responsible for marine and shipping activities in and around the Sunda Straits and Anak Krakatau and the party issuing the 26 December 2018 Circular, advised this is the only shipping circular issued and confirmed it has expired. They also confirm that there are no shipping restrictions in the area save for the 5 km exclusion zone around the volcano. Reports indicate that local and foreign experts plan to do surveys to the area but are hampered by unpredictable conditions at site.

Shipping Activity: Indonesia's Navy Hydrographic and Oceanographic Centre performed meteorological mapping and found evidence of siltation in the waters around the volcano. They attribute this siltation to sedimentation, probably due to volcanic material entering the sea causing variations between 1 meter and 40 meters in the immediate vicinity of the volcano. Actual depth is best confirmed by hydrographic survey. AlS data indicates that there are vessels sailing in and around the Sunda Straits. Recommendation: The changes in water depths are not yet confirmed and the area does have increased naval activity, monitoring the area. It is therefore recommend that vessels passing through are vigilant and stay clear of the area as practically possible.