

Sulphur regulations

For a level playing field at sea

Anna Larsson, Chair

June 16, 2016



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Who we are... so far

- For a level playing field
- 35+ members from 12 countries
- Robust Enforcement
 - ensures compliance across industry
 - protects the environment and human health
 - drives innovation & investment





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Why all the fuss?

Regulatory
uncertainty



SO_x Regulation



Cost



Impact



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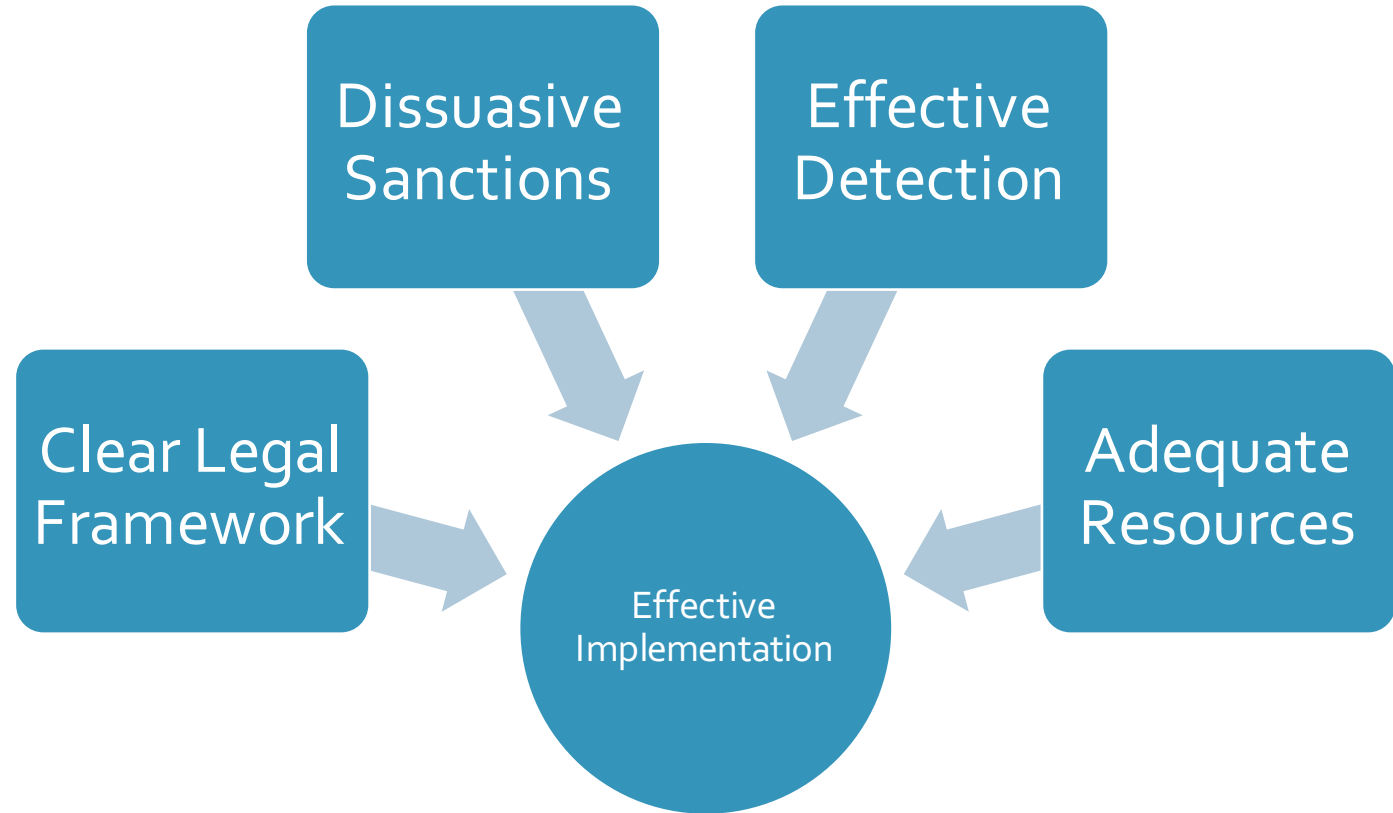
2015 What's the status?

- **6800 inspections** of fuel were carried out in EU (document control) January til December 2015.
 - According to EMSA, based on data in THETIS-S
- Non-compliance rates in the inspections conducted were:
 - 3 % in the Baltic Sea
 - 9 % in the North Sea
 - 2 % outside SECA
- **Only 30% of shipping companies in violation were sanctioned**
- **Is that acceptable – and is it the full story?**



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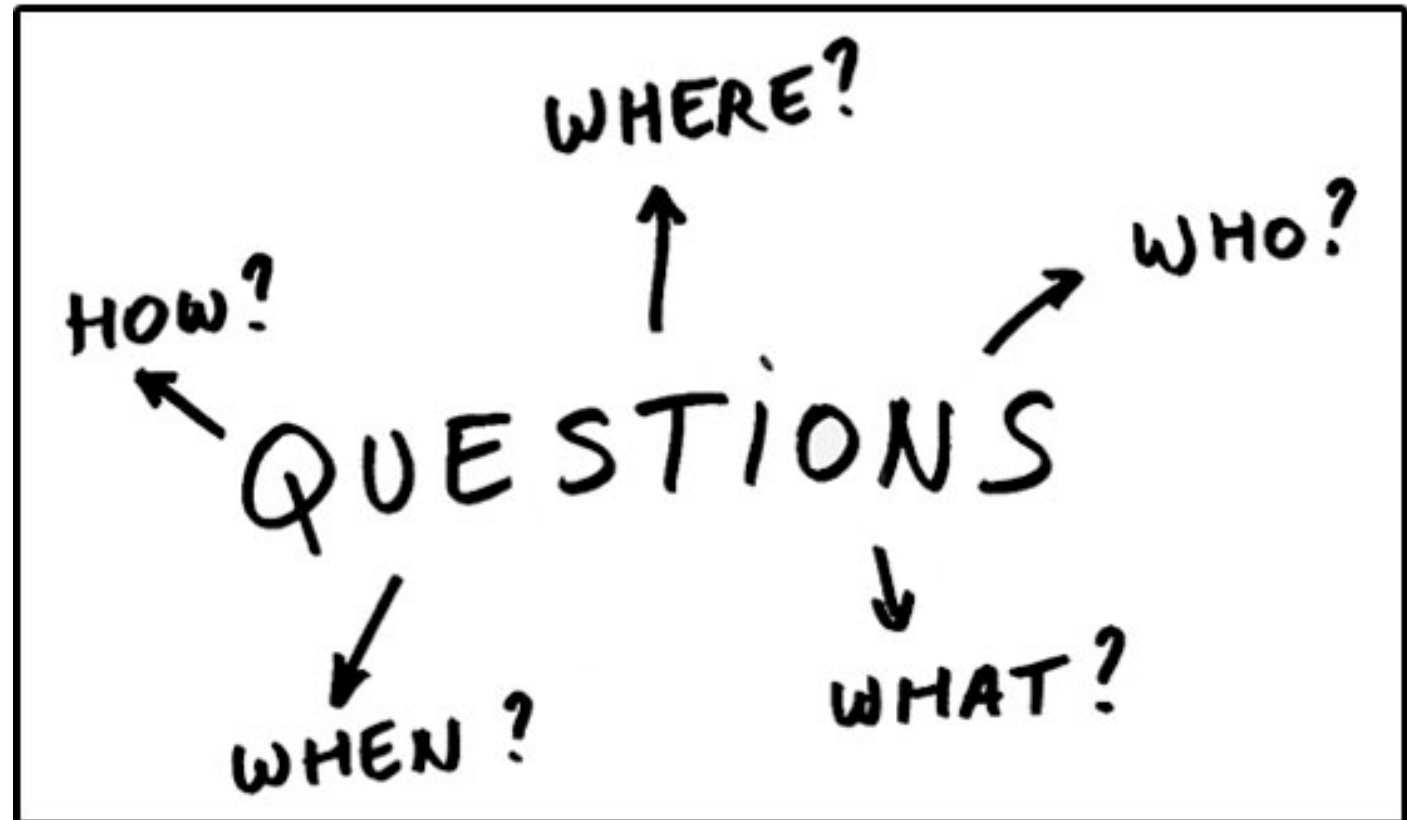
Conditions for Robust Enforcement





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Legal challenges





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Sanctions
are not
"effective,
proport-
ionate and
dissuasive"

- Penalties as low as **1500€**
- ...compared to savings of **90-100.000 \$** per trip, per ship!
- Very few detentions
- Very few cases of legal action

PENALTIES FOR NON ECA SO_x COMPLIANCE

ECA limits: January 1 2015, maximum sulphur in fuel drops from 1.0% to 0.1%. Other possible permissions are to use LNG fuel or abatement technology with high sulphur content fuels providing SO_x emissions are below 0.1%

Country	Penalty
Denmark	Equal to the cost advantage the carrier had on that voyage
Sweden	To be established when the first case goes to court
Germany	€2,000 - €5,000 (\$2,759 - \$6,898)
Netherlands	Declined to comment
UK	Up to £50,000 (\$82,616)
Finland	To be established when the first case goes to court
Poland	Up to €45,000 (\$62,087)
Estonia	Up to €2,000 (\$2,759)
Norway	Start at €10,000 (\$13,797)
Lithuania	€1,500 (\$2,069) plus the price of taken proper fuel on board



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Inadequate Detection Technology

- Inspections mostly limited to ports
 - Is that representative?
- Paper-trail based
 - Not hard to fake
- No easy solution for detection off shore
- How well is information shared & used?



RECIBO DE SUMINISTRO
DELIVERY TICKET

FECHA DE EMISIÓN: 22/08/2014
Nº: 6870
CONTENIDO: CONTAINERS

INFORMACIÓN DEL CLIENTE / CUSTOMER INFORMATION
DENOMINACIÓN: INYPMULA INC
PRECONDICIONES: STAVEL DRIVE 4 2000 PREFERENCIA
CATEGORÍA: OBLIGADO
NÚMERO DE REGISTRO: 25541117

SE DESPACHA EN: INTERCADO TV

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Limited Resources

- **Limited resources for fuel sampling**
 - Testing takes time
- **New technology costs**
- **Will increased testing requirements be matched by funding?**

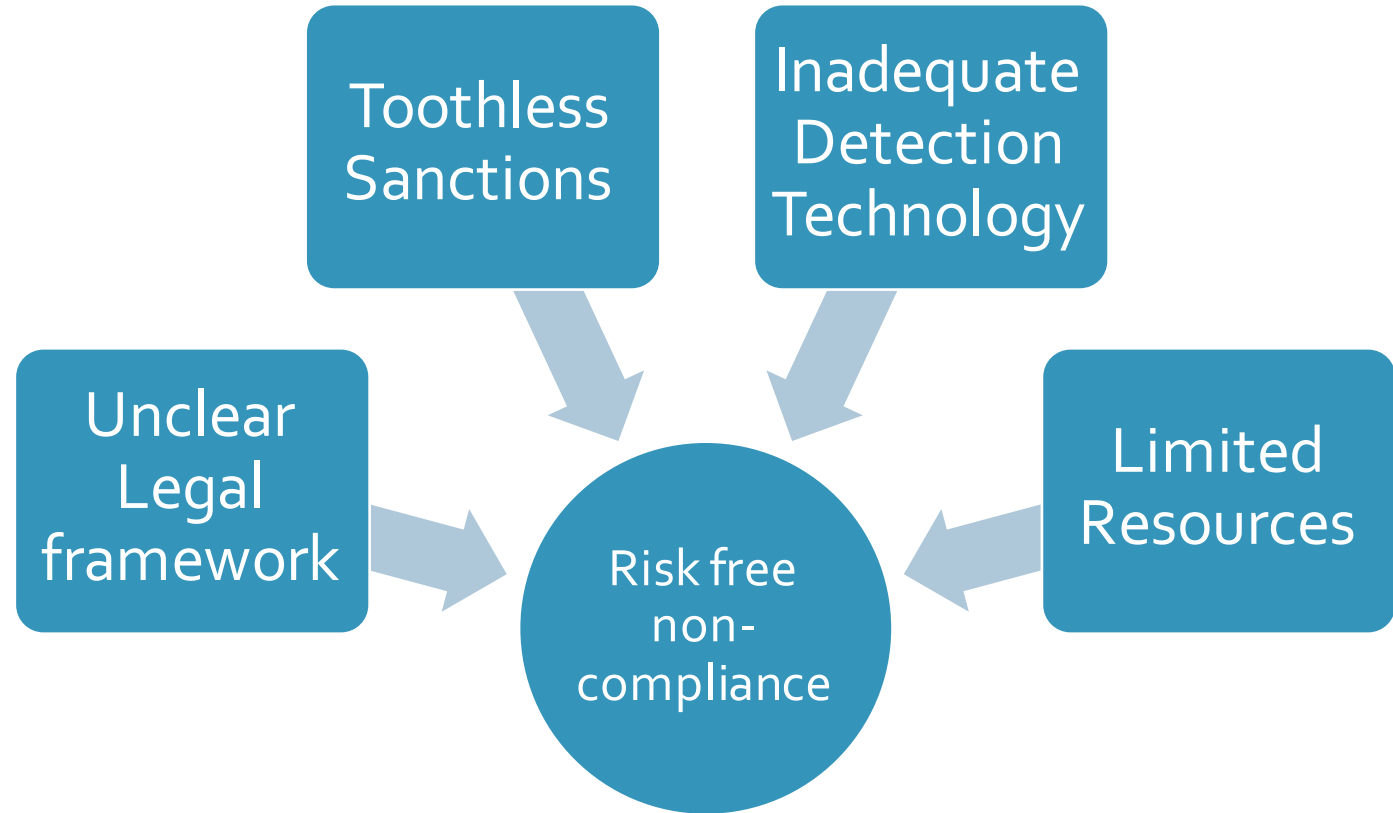


"Get ready! The next wave of legislation is rolling in."



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Enforcement Challenges





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Thank you
for your
attention



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- **Questions?**

- **Contact:**

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