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Low Sulphur Norms for Shipping

Meeting the 1 January 2015 deadline

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ECG Conference – Amsterdam, 17 October 2014



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Summary

- 1. Introduction**
- 2. European Sustainable Shipping Forum**
- 3. Implementation and enforcement**
- 4. Legal and technical issues**
- 5. Financial support**
- 6. Economic impact**
- 7. Conclusion**



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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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SEARCH...

DFDS chops route

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



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:**

- ECSCA 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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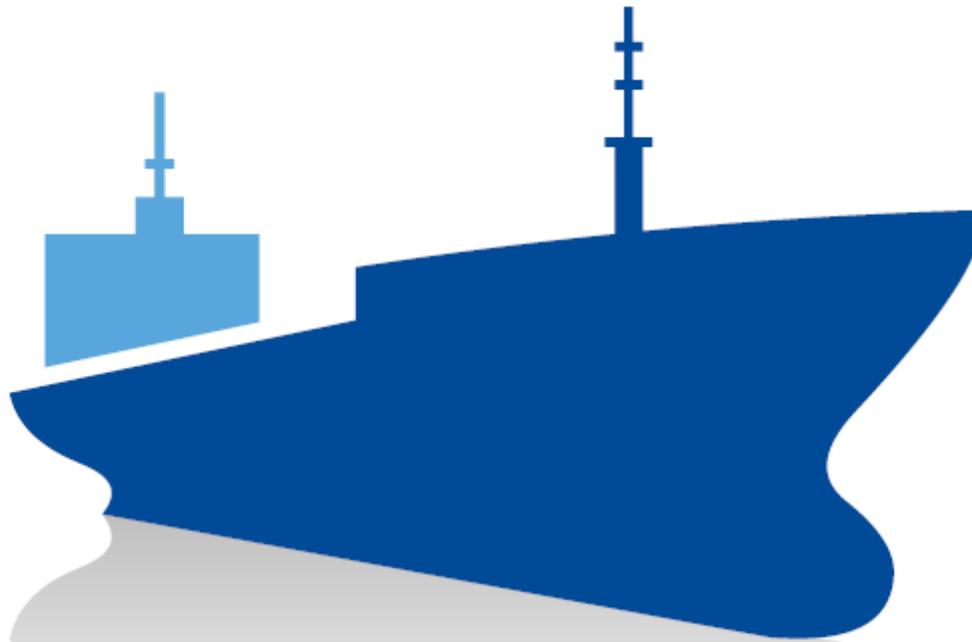
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- Meeting the 1 January 2015 deadline remains challenging
- The ESSF has proved to be a useful platform to deal with outstanding technical and legal matters
- Implementation and enforcement must be realistic and pragmatic, aiming at a fair level playing 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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