

CLUB CIRCULAR

Thursday, January 22, 2015

BSM-RM-10/001/15

To: All Members

Low Sulphur Fuel Oil in MARPOL VI Regulation

The purpose of this circular aims to raise awareness of our members that the sulphur content requirements for marine fuel will be **0.1%** effective at **Emission Control Areas (ECAs** – Baltic Sea, North Sea, 200 nautical miles around the US and Canada shoreline, including Hawaii, St. Lawrence Waterway and the Great Lakes and the US Caribbean zone) on **January 1st, 2015**. The highest sulphur content which will be allowed in ship fuel is aimed to be no more than **0.5% globally by 2020**, this is currently 3.5%.

Air pollution is regulated by the IMO through its Convention of MARPOL Annex VI which limits the some of the main air pollutants originating from ships' exhaust gases, including SOx and NOx. It also prohibits deliberate emission of ozone depleting substances. Annex VI applies to all ships above 400GT engaged in international trade between countries that have ratified the MARPOL Convention or ship's which fly the flag of such countries. MARPOL Annex VI Reg. 14 and 18 would be addressed at this moment for LSFO matters.

Ship owners and operators, when ordering bunkers, at least ensure they specify in their ordering instructions that the fuel oil supply process is to be in accordance with the requirements of Annex VI and with specified maximum sulphur content appropriate to the particular intended future area of operation. Before fixing their vessels out in the future, especially if trading limits include ECAs, owner need to think:

- How much tank capacity does my vessel have
- What is the fuel history of these tanks
- Will I be able to successfully trade my vessel in / out of ECAs zones
- Who will be responsible for possible tank cleaning costs and time

Ship owners should also develop and implement procedures from management of MARPOL samples and documentation relating to fuel deliveries, fuel switching and consumptions.

Crewmembers should record all fuel oil deliveries in the oil record book and must retain bunker delivery receipts and fuel samples issued by the supplier, as well the seal number should be recorded on the bunker delivery receipt. Additional delivery samples may be taken by the ship's crew but for MARPOL purposes. Foul samples need to be stored in a safe, clean environment and preferably in a cool location. The regulation requires that MARPOL samples are retained on board for at least 12 months and bunker delivery receipts should be retained for three years. BDN should be signed by the bunker barge master and C/E or master of the ship receiving fuel oil

Bunker Delivery Note should contain following items

- Name and IMO number of receiving ship
- Port
- Date of commencement of delivery
- Name, address and telephone number of the supplier
- Product names
- Quantity
- Density at 15° C (test method ISO 3675)
- Sulphur content percentage (test method ISO 8754)
- Declaration signed and certified by the fuel oil supplier's representative that the fuel oil supplied conforms with

Members must keep in mind that because there are many different types of ships and engines, ship's owners and managers must obtain specific guideline from engine makers and lubricant suppliers regarding fuel switching and selection of appropriate lubricates. They should also ensure that the crewmembers are provided with operating procedures that are applicable to their particular ship and engines.

It should be accented that Port State Control Officers may not only demand to see and test the MARPOL sample but they may also take samples from the bunker tanks or fuel supply line to the engines to check compliant fuels have been used. That means PSC may decide to sample and test fuel not just as supplied, but as in use on the vessel. This is a significant difference that owners and technical managers must appreciate. In case of a dispute with PSC for testing sulphur content result exceeded the upper limit, if using ISO test methods, the precision of the test need to be taken into account. The parties may have to apply the MARPOL test procedure that is less tolerant to test precision. A very useful document on this may be found on the CIMAC website "The Interpretation of Marine Fuel Oil Analysis Test Results with Particular Reference to Sulphur Content". Ship's owner and Technical Managers should familiarize themselves with this issue as it is likely that where there is marginal difference specification dispute then it will become very relevant.

In case of non availability of compliant fuel or supply of non compliant fuel ships should issue Notes of Protest to their Flag Administrations with copies to the port authority where the fuel was supplied and a copy to the PSC to the next port of call, as appropriate. Members should check with their Flag Administrations as well as their regular fuel testing laboratories for standard formats for Notes of Protests.

It should be further mentioned that a vessel will be subjected to specific conditions and requirements if she calls a port without compliant fuel. Owners need to record all attempts to acquire complaint FO and must seek to inform both next Port and its Flag State well in advance if no complaint fuel is available at the present Port. Port Authorities should inform the IMO about the situation. If convincing and compelling evidence is submitted by the vessel's owners and operators in a full and frank manner it may mitigate against possibly hard PSC action against the vessel.

If our valued member has any doubt, please contact our Risk Management Department at riskmanagement@britishsteamship.com.

Yours faithfully

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