



SHIP SAFETY BULLETIN

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Subject: **New Regulations for Vessel Air Emissions:
PROPOSING ALTERNATIVE COMPLIANCE OPTIONS**

Purpose

The purpose of this bulletin is to inform stakeholders of new regulations now in place to address air emissions from vessels over 400 gross tonnage operating in Canada. The *Regulations Amending the Vessel Pollution and Dangerous Chemicals Regulations* (the Amendments) were published in Part II of the *Canada Gazette* on May 8, 2013.

Please note this bulletin complements Ship Safety Bulletin 06/2013 and provides information on proposing alternative compliance regimes to Transport Canada.

Background

The Amendments implement standards for the North American Emission Control Area (NA-ECA), energy efficiency of vessels and a regime for Canadian vessels in the Great Lakes and St. Lawrence waters. For full text of the Amendments and the Regulatory Impact Analysis Statement, please see the [Canada Gazette, Part II](#).

Please note some requirements for air emissions are already in place under *Vessel Pollution and Dangerous Chemicals Regulations* (the Regulations). As the Amendments will be incorporated into the text of the Regulations, please consult the [Regulations](#).

The Regulations will be enforced in accordance with the [Policy on Compliance and Enforcement of the Canada Shipping Act, 2001](#)- TP13585.

The Amendments allow for alternative compliance options that result in equivalent emissions to using the compliant fuel. Typically, this would be expected to be scrubbers, alternative fuels, or other technology, but can include regional fuel averaging regimes.

Keywords:

1. Air Emissions
2. Marine Fuels
3. Regulations
4. Pollution Prevention
5. Alternative Compliance

Questions concerning this Bulletin should be addressed to:

AMSEE
Environmental Protection
613-991-3168

Transport Canada
Marine Safety and Security
Tower C, Place de Ville
10th Floor, 330 Sparks Street
Ottawa, Ontario K1A 0N8

Contact us at: marinesafety-securitemaritime@tc.gc.ca or 1-855-859-3123 (Toll Free).

For a Canadian vessel, an alternative compliance option must be approved through the Marine Technical Review Board.

For a foreign vessel, this must be approved by the country where it is registered (the Flag State). Before a Flag State grants such an approval, Canada and countries that are part of emission control areas where that vessel may voyage, expect to be able to review and consent to the alternative compliance option.

Proposing an alternative compliance option

An authorized representative seeking an alternative compliance option should submit a proposal to:

Environmental Protection (AMSEE)
Operations and Environmental Programs
Marine Safety and Security
Transport Canada
330 Sparks St, 10th floor
Ottawa, Ontario K1A 0N8
Email: marinesafety-securitemaritime@tc.gc.ca

It is highly recommended the authorized representative communicate as early as possible with Transport Canada in advance of preparing a formal proposal.

In the case of a Canadian vessel, the proposed alternative compliance option must be assessed and approved by the Marine Technical Review Board. As this Board has authority to grant an exception for a specific vessel, if the proposal concerns multiple vessels a proposal will need to be submitted for each vessel. Once the proposal for the first vessel is prepared, proposals for the other vessels may refer to the first proposal, as appropriate.

In the case of a foreign vessel operating in Canadian jurisdiction, the authorized representative should obtain approval from Transport Canada prior to seeking approval from the country where they are registered (the Administration).

Transport Canada will communicate Canada's decision to that vessel's Administration. Such a proposal will not take effect until approved by the vessel's Administration in accordance with Regulations 3 or 4, as applicable, of Annex VI to MARPOL.

In the case of a vessel that also voyages to waters under the jurisdiction of France, the United States, or other jurisdictions where an Emission Control Area is in effect, the governments of those countries will need to approve the proposal. Transport Canada will be liaising with these governments as required.

The proposal must provide evidence of the emissions reductions that would result.

Assessment criteria

Any proposal should be assessed against the following considerations:

1. In general, a proposal shall be assessed in accordance with principles for granting of approvals by the Marine Technical Review Board set out in subsection 28(4) of the *Canada Shipping Act, 2001*, which comprise that the proposal:
 - a. is in the public interest;
 - b. would not jeopardize marine safety or the marine environment;
 - c. in respect to safety, would result in an equivalent or greater level of safety; and,
 - d. will be subject to any appropriate conditions and for the period.
2. The proposal must apply to a specific vessel or a specified group of vessels, with each vessel identified. If the proposal is based on the use of technology to reduce emissions, it must specify the systems or equipment that would be used and timeframes for installation.
3. The resulting emissions must be at least the same as, or comparable to, the expected emissions for that vessel under the Regulations.
4. The proposal should be in line with any applicable guidance from the International Maritime Organization in regards to pilot projects or equivalent measures under Regulations 3 and 4 of Annex VI to MARPOL.
5. The continued use of residual fuel may be considered, if the vessel is to be fitted with new technology or modified to use of alternative fuels that will result in improved air emissions within 3 years. This would require an exemption issued under Regulation 3 of MARPOL.
6. The proposal will be assessed on individual merits and sets for similar classes of vessels and must be acceptable to Transport Canada, in accordance with section 28(4) of the *Canada Shipping Act, 2001*, which prescribes:

If the panel struck to decide the application is satisfied that the exemption or replacement is in the public interest and would not jeopardize marine safety or the marine environment and, in the case of an application to replace a requirement with respect to safety, the replacement would result in an equivalent or greater level of safety, the panel is to issue a decision granting the application, subject to any conditions and for the period that the panel considers appropriate.
7. If the proposal includes a provision that for emissions credits to be applied against other vessel emissions, such credits must be based on resulting emissions being better than the expected emissions under the Regulations.

8. If the proposal includes a provision for emissions credits or trading within the marine industry, the review of such a provision will be guided by TC's Environmental Policy Directorate (ACS) to ensure the proposal is in line with Government of Canada policy.
9. At this time, a proposal to obtain emissions credits based on emission reductions from other emission sources (such as power plants) cannot be accepted as there is no legal authority to do so.
10. If the proposal is based on fuel averaging, where the vessel would switch between low sulphur fuels (which can include ultra low sulphur diesel at 0.015%) and intermediate fuels that are available along its route, to attain an average over the route that meets the required sulphur content, the following should be considered:
 - a. Such a proposal must set out the type of fuel that would be used and its sulphur content.
 - b. The lowest sulphur fuel must be used when the vessel is in any port.
 - c. A record must be kept available for inspection that sets out the type of fuel used by the vessel and the location where that fuel was used.

Questions

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