



TECHNICAL CIRCULAR No. 036 of 17 December 2011

To:	All Surveyors
Applicable to flag:	All Flags
Subject:	Additional Emission Control Area (ECA) – USA and Canada
Reference:	POLLUTION-MARPOL Annex VI, View to adoption MEPC 60, All ships, Due date; 1 st July 2012

Additional Emission Control Area (ECA) – USA and Canada

Expected date to designate specific portions of the coastal waters of the United States and Canada Emission Control Area (ECA).

The ECA would be for the control of emissions of nitrogen oxides (NO_x), sulphur oxides (SO_x), and particulate matter, under the revised MARPOL Annex VI Prevention of Air Pollution from Ships.

Advantages of the United States approach

The United States believes the proposal above is a pragmatic, simple, and cost-effective solution to encourage increased efficiency and reducing emissions from ships engaged in international trade. It has significant advantages, including the following:

- .1 efficiency improvements provide significant cost savings through reduced fuel costs;
- .2 promoting efficiency improvements and keeping the exchange of efficiency credits within the international maritime sector ensures that the sector will maximize efficiency improvements, thereby enhancing sustainability in support of the global economy;
- .3 none of the revenues from this scheme funds projects outside of the international maritime sector, further ensuring that the maritime sector will reduce its emissions;
- .4 efficiency credit trading makes the most cost-effective efficiency gains available to all in the sector. For example, if a large tanker installs a new technology that is difficult to implement on a small container ship, then that small container ship could trade efficiency credits with the large tanker, taking advantage of lower cost efficiency improvements;

.5 units traded under this approach are calculated from the *difference* between the ships' required and attained efficiency indexes (respectively *EIR* and *EIA*). This ensures efficiency improvements without capping activity or absolute emissions, and catalyzes action by industry leaders wishing to build and use more efficient ships;

.6 establishing efficiency index standards many years into the future would also provide stability to the efficiency credit and ship technology markets. Due to the high capital cost and long service life of ships, such long-term market confidence and stability would drive investment in efficiency improvements;

.7 the proposal could potentially be accomplished with an amendment to MARPOL Annex VI, which would be faster and less burdensome than developing a new annex or a new convention;

.8 the efficiency improvements are likely to achieve reduced greenhouse gas emissions as well as other regulated emissions such as NO_x, SO_x, and particulate matter. Additionally, they could drive investments into sustainable low-carbon fuels; and

.9 this proposal complements IMO's new ship EEDI, but it does not replace it. IMO's new ship EEDI efficiency index standard would continue to serve an important role for increasing the efficiency of new vessels during construction and entry into the fleet service.

REFERENCES:

MARPOL Annex VI, View to adoption MEPC 60

ATTACHMENTS:

No.

Kindest Regards,
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