



# INTERNATIONAL ASSOCIATION OF DRILLING CONTRACTORS

## MEMORANDUM

TO: Distribution

FROM: Alan Spackman, Vice President, Offshore Technical and Regulatory Affairs

SUBJECT: Report on the 60<sup>th</sup> Session of the IMO's Marine Environment Protection Committee

DATE: 29 June 2010

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The 60<sup>th</sup> session of the International Maritime Organization's Marine Environment Protection Committee (MEPC 60) was held from 22 to 26 March 2010, under the Chairmanship of Mr. A. Chrysostomou (Cyprus). The session was attended by delegations from 93 Member nations, 1 Associate Member, 7 United Nations and Specialized Agencies, 6 intergovernmental organizations and 44 non-governmental organizations. The International Association of Drilling Contractors was not represented.

Issues addressed during the session that may be of interest to offshore drilling contractors included:

### Conventions – Accessions, ratifications, etc.

- The Cook Islands, Marshall Islands, Republic of Korea and Sweden acceded to the International Convention for the Control and Management of Ships' Ballast Water and Sediments since the last MEPC Session. There are now 22 contracting governments, representing ~23% of the worlds merchant fleet tonnage; it requires ratification by 30 states, and 35% for entry into force.
- Brazil acceded to MARPOL Annex VI on 23 February 2010.
- Benin acceded to the 1990 OPRC Convention on 5 February 2010.
- Singapore acceded to the 2004 BWM Convention on 31 December 2009.
- Revised MARPOL Annex VI, and the NOx Technical Code 2008, will enter into force on 1 July 2010.

### Consideration and adoption of amendments to mandatory instruments

The Committee adopted:

- By resolution MEPC.189(60), amendments to the Annex of the Protocol of 1978 relating to the International Convention for the Prevention of Pollution from Ships, 1973 (Addition of a new chapter 9 to MARPOL Annex I addressing use or carriage of oils in the Antarctic area); and
- By resolution MEPC.190(60), amendments to the Annex of the Protocol of 1997 to amend the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto (North American Emission Control Area).

The Committee confirmed the dates in both draft MEPC resolutions concerning the "deemed acceptance" (1 February 2011) and "entry into force" (1 August 2011) of the new amendments.

### Adoption of MEPC Resolutions

The Committee adopted the MEPC Resolutions listed below. These are annexed to the IMO report.

| Resolution                   | Title   |
|------------------------------|---|
| <a href="#">MEPC.188(60)</a> | Installation of ballast water Management systems on new ships in accordance with the Application dates contained in the ballast water Management convention (BWM Convention)              |
| <a href="#">MEPC.189(60)</a> | Amendments to the annex of the Protocol of 1978 relating to the international Convention for the prevention of pollution from ships, 1973 (addition of a new chapter 9 to MARPOL Annex I) |

| Resolution                   | Title   |
|------------------------------|---|
| <a href="#">MEPC.190(60)</a> | Amendments to the annex of the Protocol of 1997 to amend the International Convention for the Prevention of Pollution from Ships, 1973, as Modified by the Protocol of 1978 relating thereto (North American Emission Control Area) |
| <a href="#">MEPC.191(60)</a> | Establishment of the date on which regulation 5(1)(h) of MARPOL Annex V in respect of the Wider Caribbean Region Special Area shall take effect   |

### Adoption of Circulars

The Committee adopted the Circulars listed below:

| Circular              | Title  |
|-----------------------|--|
| MEPC.1/Circ.675/Rev.1 | Discharge of cargoes hold washing water in the Gulfs Area, Mediterranean Sea Area and the Wider Caribbean Region under MARPOL Annex V, |
| MEPC.1/Circ.719       | Technical information on the CVOC system, to assist development of the VOC management plan   |

### Approval of ballast water treatment systems

Basic Approval was granted to: SiCURE™ Ballast Water Management System (proposed by Germany); Sunri Ballast Water Management System (proposed by China); DESMI Ocean Guard Ballast Water Management System (proposed by Denmark); Blue Ocean Guardian (BOG) Ballast Water Management System (proposed by the Republic of Korea); Hyundai Heavy Industries Co., Ltd. (HHI) Ballast Water Management System (HiBallast) (proposed by the Republic of Korea); Kwang San Co., Ltd. (KS) Ballast Water Management System “En-Ballast”, (proposed by the Republic of Korea); OceanGuard™ Ballast Water Management System (proposed by Norway); and Severn Trent DeNora BalPure® Ballast Water Management System (proposed by Germany).

Final approval was granted to: GloEn-Patrol™ Ballast Water Management System (proposed by the Republic of Korea); Resource Ballast Technologies System (proposed by South Africa); and JFE Ballast Water Management System (JFE-BWMS) (proposed by Japan).

### Recycling of Ships – Guidance development

The Committee re-established an intersessional Correspondence Group, to be coordinated by Japan<sup>1</sup>, to:

- Further develop the Guidelines for the safe and environmentally sound ship recycling;
- Commence development of draft Guidelines for the development of the ship recycling plan; and
- If possible, commence development of draft Guidelines for the authorization of Ship Recycling Facilities.

### Energy Efficiency Measures for ships

Despite many delegations reserving their position on the Committee’s actions, the Committee:

- Approved, with a view to circulation for subsequent adoption at its next session, draft amendments to the revised MARPOL Annex VI (revised form of Supplement to the IAPP Certificate);
- Endorsed the recommendation that Members be urged to use the revised form of the Supplement to the IAPP Certificate at the earliest available opportunity when issuing the Supplement in accordance with the revised MARPOL Annex VI and approved MEPC.1/Circ 718 for this purpose;
- Approved MEPC.1/Circ.719 on Technical information on the CVOC system, to assist development of the VOC management plan;
- Noted the guidelines developed by its working group for calculating the EEDI baselines using the data of existing ships in the LRF database;
- Endorsed the the development of guidelines to support the regulatory framework for verification of the EEDI taking into account MEPC.1/Circ.682;

<sup>1</sup> Mr. Shinichiro Otsubo (otsubo-s24r@mlit.go.jp)

- Endorsed the view on the need for supporting guidelines, e.g., based on MEPC.1/Circ.683;
- Noted there are still unresolved issues on ship size, target dates and reduction rates in relation to the EEDI requirements;
- Considered draft text for mandatory requirements of the EEDI and the SEEMP and agreed that further work was needed and should expeditiously continue; and
- Agreed to hold an intersessional meeting on further development of the energy efficiency measures for ships.

The intent is that the Committee's next session will agree at the next session to amendments to MARPOL Annex VI that will make the EEDI mandatory for at least some ship types. There is presently no clear path forward by which the EEDI could be made mandatory for MODUs of any type, although this may arise as an issue.

### **Energy Efficiency Measures for ships**

Despite many delegations reserving their position on the Committee's actions, the Committee, after a lengthy exchange of views, agreed to the Terms of Reference for an Expert Group on Feasibility Study and Impact Assessment of possible Market-Based Measures (MBM), as follows:

- .1 The scope of the study/assessment is to review the practicability of implementing the options for an MBM that have been proposed to the Committee.
- .2 The study/assessment shall also aim to identify for each proposed MBM; the reduction potential on GHG emissions from international shipping, its impact on world trade, and the shipping industry, and the maritime sector in general, giving priority to the maritime sectors in developing countries, as well as recognition of the maritime sector in the global efforts to reduce the GHG emissions.
- .3 The study/assessment carried out shall provide information on how the difference in the socioeconomic capability between developing and developed States, as well as the special needs and circumstances of developing countries, can be addressed by each different MBM proposal.
- .4 The study/assessment will be conducted by a group of selected experts (Market-Based Measures – Expert Group (MBM-EG)), nominated by IMO Member Governments with appropriate expertise on matters within the scope of the study, who, in the discharge of their duties, will serve the MBM-EG in their personal capacity.
- .5 The Secretary-General will also invite a proportionate number of organizations in consultative status with IMO, and relevant United Nations entities, as well as intergovernmental or international organizations, which can contribute with data and/or with expertise to the work of the Expert Group and will participate as advisers.
- .6 At its initial meeting the MBM-EG should agree on its method of work and meeting dates.
- .7 The lead sponsor of each proposal should be invited to provide further details to the MBM-EG and to comment on any assumptions made related to its proposal.
- .9 The MBM-EG should, as far as possible, reach its conclusions by consensus, and if not, this should be recorded in the report. It is imperative that the final report contains clear, precise, and robust conclusions and factual information. Work that has already been completed should not be duplicated.
- .10 The end result should aim at assisting the Committee to make well-informed decisions and should not make specific recommendations on policy issues.

Following the above methodology, for each of the proposed MBMs, the MBM-EG, giving priority to the overall impact on the maritime sectors of developing countries, is to assess the:

- .1 Extent to which the MBM is effective in contributing to the reduction of GHG emissions from international shipping;
- .2 Cost-effectiveness of the MBM and its potential impact(s) on trade and sustainable development;
- .3 MBM's potential to provide incentives to technological change and innovation – and the accommodation of current emission reduction and energy efficiency technologies;
- .4 Practical feasibility of implementing the proposed MBM;
- .5 Need for technology transfer to, and capacity-building within, developing countries, in particular the least developed countries (LDCs) and the small island developing States (SIDS), in relation to implementation and enforcement of the MBM, including the potential to mobilize climate change finance for mitigation and adaptation actions;

- .6 MBM's relation with other relevant conventions such as UNFCCC, Kyoto Protocol and WTO, as well as its compatibility with customary international law, as depicted in UNCLOS;
- .7 Potential additional administrative burden, and the legal aspects for National Administrations by implementing and enforcing the MBM;
- .8 Potential additional workload, economic burden and operational impact for individual ships, the shipping industry and the maritime sector as a whole, of implementing the MBM; and
- .9 MBM's compatibility with the existing enforcement and control provisions under the IMO legal framework.

### **Black carbon and the Arctic**

The Committee agreed that ship's emissions of black carbon and other particulate matter affecting the Arctic region needed to be addressed specifically as an integral part of the work on prevention of air pollution from ships and its contribution to combat climate change and global warming. It agreed that the matter should be revisited at the next session.

### **Proposed amendments to MARPOL Annex IV**

The majority of the Committee agreed to the proposal to amend Annex IV to include the concept of Special Areas; to designate the Baltic Sea as a Special Area; and to impose a strict standard for the discharge of nutrients in the sewage from passenger ships within the proposed Baltic Sea Special Area. However, the following concerns should be addressed:

- adequacy of port reception facilities for large quantities of sewage from passenger ships in all relevant ports in the area;
- availability of sewage treatment plants capable of dealing with the strict standards proposed for nutrient content in the effluent;
- proposed application to passenger ships only; and
- inclusion of appropriate provisions in the proposed amendments that the taking effect of the discharge requirements within the new Special Area would not occur until the Baltic States had communicated to the Organization the existence of adequate reception facilities.

The submitters were invited to refine their proposal setting out all proposed amendments to Annex IV for consideration at MEPC 61 for approval and subsequent circulation with a view to adoption at MEPC 62.

### **Aerial observation of oil pollution at sea – operational guide**

The Committee approved the text of the Aerial observation of oil pollution at sea – operational guide and instructed the Secretariat to work with the International Petroleum Industry Environmental Conservation Association (IPIECA) to prepare the document as a joint publication to be included as a new volume in the IMO/IPIECA report series.

### **“Wider Caribbean Region” as a Special Area under MARPOL Annex V**

The Committee, having noted that the criteria regarding the provision of adequate reception facilities by States bordering the Wider Caribbean Region Special Area, in accordance with regulation 5(4)(b) of MARPOL Annex V, had been met:

- .1 adopted resolution MEPC.191(60), on the establishment of the date on which regulation 5(1)(h) of MARPOL Annex V in respect of the Wider Caribbean Region as a Special Area shall take effect; and
- .2 agreed that the date on which the discharge requirements for the Wider Caribbean Region Special Area should take effect is 1 May 2011.

### **Amendments to MARPOL Annex III**

The Committee approved draft amendments to MARPOL Annex III to reflect the decision that the technical name of marine pollutants in tanks need not be shown on the tank as a supplement to the proper shipping name specified by the IMDG Code. The draft is to be circulated for subsequent adoption at MEPC 61. The Committee endorsed an entry-into-force date of 1 January 2014 for the revised MARPOL Annex III in order to align it with the planned timing of amendments (36-12) to the IMDG Code.

### **Environmental Risk Acceptance Criteria**

The Committee considered a report from a Correspondence Group established to develop Environmental Risk Acceptance Criteria (ERAC) for ultimate incorporation in the IMO Formal Safety Assessment (FSA) Guidelines ([MSC/Circ.1023-MEPC/Circ.392](#), as [amended](#)). The Correspondence Group reached:

- Consensus that environmental risk evaluation criteria should be expressed on a cost per volume of spilled oil basis. A volume-dependent non-linear scale or function of a global “costs of averting a spill” (CATS) threshold would be preferable to a single CATS threshold, and there seemed to be further convergence on the form of the non-linear function of total spill cost versus volume. The work conducted independently by three members of the correspondence group resulted in very similar functions, which might form the basis for further discussion;
- Apparent agreement had also been reached on the frequency matrix in the HAZID step, which was being proposed to be the same as in the safety FSA; and
- Consensus had been achieved on the issues pertaining to the collection and reporting of relevant data.

The Correspondence Group was reestablished under the coordination of Greece<sup>2</sup> with the previously agreed terms of reference.

### **Noise from commercial shipping**

The Committee considered the Correspondence Group’s report on this issue and noted that the work conducted during the intersessional period had focused on technological issues which are set out in annex 1 (cavitation, machinery and hulls) and annex 2 (dominant frequency and IMO-related issues). There was general support for the current direction of the work being undertaken by the Group and, in particular, its focus on non-mandatory technical guidelines for ship-quieting technologies as well as potential navigation and operational practices. The Committee agreed that the Group should concentrate its efforts on the major element of cavitation as this would lead to other efficiencies, consequential fuel savings and reduction of emissions. The Committee also encouraged that research on the issue of underwater noise should be conducted simultaneously with the future work of the Group.

The Correspondence Group was re-established under the coordination of the United States<sup>3</sup> to continue its work under the previously agreed terms of reference.

### **Environmental aspects of polar shipping**

Norway identified several aspects of what the environmental chapter of a “Code for ships operating in polar waters” could contain to prepare for discussions in the DE Sub-Committee’s next session. The Committee noted that, by analyzing the MARPOL, AFS and BWM Conventions, it could be possible to identify what extra measures, if any, should be put in place in the Polar Regions as a consequence of their temperature, light and ice conditions. While a number of delegations supported the submission and agreed that the analysis could include issues such as grey water, black water and black carbon emissions, concerns were raised regarding the premature nature of this analysis.

The Committee agreed that any policy matters that arose from the analysis would be a matter for decision by the Committee. The Committee referred the proposal to the DE Sub-Committee for consideration under its agenda item “Development of a mandatory code for ships operating in polar waters”.

### **Approval of new work items**

The Committee agreed to new work items as listed below.

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2 Professor Harilaos N. Psaraftis ([hnpсар@mail.ntua.gr](mailto:hnpсар@mail.ntua.gr))

3 Ms. Lindy S. Johnson ([Linda.s.johnson@noaa.gov](mailto:Linda.s.johnson@noaa.gov))

| Subject  | Target | Priority | Assigned to |
|--|--------|----------|-------------|
| Revision of the Guidelines for the Transport and Handling of Limited Amounts of Hazardous and Noxious Liquid Substances in Bulk in Offshore Support Vessels – resolution A.673(16) | 2012   | High     | BLG         |
| Development of guidance on the safe operation and performance standards of oil pollution combating equipment   | 2011   | High     | OPRC-HNS TG |

#### Dates for forthcoming sessions

- MEPC 61 is scheduled for 27 September to 1 October 2010;
- MEPC 62 is tentatively scheduled for July 2011; and
- MEPC 63 is tentatively scheduled for March 2012.

#### Agenda items for future meetings, review groups, working groups and drafting groups

It was agreed, in principle, to establish review groups (RG), working groups (WG) and drafting groups (DG) at futures sessions as follows:

| Item  | MEPC 61 | MEPC 62   | MEPC 63   |
|---|---------|-----------|-----------|
| Harmful aquatic organisms in ballast water  | RG<br>X | [RG]<br>X | [RG]<br>X |
| Recycling of ships  | WG<br>X | [WG]<br>X | [WG]<br>X |
| Prevention of air pollution from ships  | X       | X         | X         |
| Reduction of GHG emissions from ships   | WG<br>X | [WG]<br>X | [WG]<br>X |
| Consideration and adoption of amendments to mandatory instruments                                   | DG<br>X | [X]       | [X]       |
| Interpretations of, and amendments to, MARPOL and related instruments                               | X       | X         | X         |
| Implementation of the OPRC Convention and the OPRC-HNS Protocol and relevant Conference resolutions | X       | X         | X         |
| Identification and protection of Special Areas and PSSAs  | X       | X         | X         |
| Inadequacy of reception facilities  | X       | X         | X         |
| Harmful anti-fouling systems for ships  | X       | X         | X         |
| Role of the human element   | X       | WG<br>X   | X         |
| Formal safety assessment  | WG<br>X | [X]       | [X]       |
| Promotion of implementation and enforcement of MARPOL and related instruments                       | X       | X         | X         |
| Noise from commercial shipping and its adverse impacts on marine life                               | X       | X         | X         |

The complete report of the Committee, as prepared by the IMO Secretariat, will be made available on the IMO portion of the IADC Website at: <http://www.iadc.org/committees/offshore/IMO.html>. These documents are password protected. IADC members should contact me to obtain the password.

Please feel free to contact me by phone (1 / 713 292 1964) or e-mail ([alan.spackman@iadc.org](mailto:alan.spackman@iadc.org)) with any questions you may have regarding this report.