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**DRAFT REPORT OF THE MARINE ENVIRONMENT PROTECTION COMMITTEE
ON ITS FIFTY-EIGHTH SESSION
(Continued)**

4 PREVENTION OF AIR POLLUTION FROM SHIPS

GENERAL

4.1 The Committee recalled that MEPC 57 had considered a proposal by the Secretary-General seeking the development and adoption of a global agreement to limit, or reduce, Greenhouse Gas (GHG) emissions from ships by December 2009. The proposal was not intended as an amendment to the original GHG Work Plan, agreed at MEPC 55; but rather as an identification of the components in the Plan which could realistically be concluded before the originally-set date.

4.2 MEPC 57 welcomed the Secretary-General's proposal to expedite IMO's work on GHG emissions and accepted with appreciation the offer of Norway to host an intersessional meeting of the Working Group on GHG Emissions from Ships (GHG WG 1), whose outcome would be considered by the Committee at the present session.

4.3 The Committee recalled also that, at MEPC 57, it decided by an overwhelming majority to take the principles listed in paragraph 4.73 of its report (MEPC 57/21) as its reference for further debate on GHG emissions from international shipping. However, the principle of making any future GHG regime "**binding and equally applicable to all flag States in order to avoid evasion**" was challenged by a number of Member States and several proposals for amendments were made, but none agreed upon. Following the debate, MEPC 57 accepted a proposal by the

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Chairman to carefully reflect on the issue in the intersessional period in order to reach consensus on the fundamental principles at this session.

4.4 The Committee recalled further that MEPC 57, in concluding its debate on GHG emissions-related issues, approved the Terms of Reference for the intersessional meeting of the Working Group on GHG Emissions from Ships held in Oslo, Norway, from 23 to 27 June 2008, and re-established the Correspondence Group on GHG-related issues.

4.5 The Committee noted that document MEPC 58/4/1 would be considered by the Drafting Group on amendments to Annex VI, to be established under agenda item 5.

4.6 In addition to the submissions from Member Governments and observer delegations, the Committee had before it the outcomes of the following groups and bodies:

- .1 the report of the first Intersessional Working Group on GHG Emissions from Ships held in Oslo from 23 to 27 June 2008;
- .2 a progress report from the Steering Committee and phase 1 of the Updated 2000 Study on GHG Emissions from Ships;
- .3 the interim report of the Intersessional Correspondence Group on GHG-related issues; and
- .4 the outcome of SBSTA 28 held in Bonn, Germany, from 2 to 13 June 2008 and the Climate Change Talks held in Accra, Ghana, from 21 to 27 August 2008.

4.7 No less than 45 documents (including four INF documents) were before the Committee for consideration and, in order to facilitate an orderly debate despite the heavy workload, the Committee agreed to conduct the discussion by grouping those documents addressing the same, or similar, matters, as follows:

- .1 consideration of the Report of the intersessional GHG WG that met in Oslo (MEPC 58/4) and other documents commenting upon it or dealing with matters of policy and/or principle;
- .2 consideration of other documents addressing topics of a general nature and other background issues;

- .3 recalling that, at MEPC 57, only basic documents on GHG issues had been introduced in plenary while the rest were referred directly to the Working Group, the Committee agreed that all technical documents related to the Design CO₂ Index, Operational Index, Baselines and Best Practices, would be introduced in the Working Group to be established at this session, thus saving precious time for discussion of policy issues in plenary;
- .4 consideration of proposals on market-based measures; and
- .5 development of precise Terms of Reference for the Working Group.

4.8 The Committee noted the documents for consideration, grouped together in four categories, as follows:

Category 1 – 11 documents on the outcome of the intersessional GHG WG, general comments thereon and other documents on application of measures and matters of principle or policy

MEPC 58/4 (Secretariat); MEPC 58/4/15 (United Kingdom); MEPC 58/4/16 (Australia *et al.*); MEPC 58/4/17 (United States); MEPC 58/4/18 (Cyprus); MEPC 58/4/20 (Secretariat); MEPC 58/4/23 (part) (Australia); MEPC 58/4/31 (Brazil); MEPC 58/4/32 (China and India); MEPC 58/INF.14 (Norway); and MEPC 58/INF.21 (FOEI).

Category 2 – Six documents with general information on GHG issues

MEPC 58/4/2 (Secretariat); MEPC 58/4/4 (Secretariat); MEPC 58/INF.6 (Secretariat); MEPC 58/4/5 (Secretariat); MEPC 58/4/5/Add.1 (Secretariat); and MEPC 58/4/41 (Australia and the Netherlands).

Category 3 – 23 documents of a technical nature (Design and Operational CO₂ Indices and baselines) to be introduced in the Working Group

MEPC 58/4/6 (Denmark and Norway); MEPC 58/4/7 (Finland and Sweden); MEPC 58/4/8 (Denmark); MEPC 58/4/9 (Denmark); MEPC 58/4/10 (Denmark); MEPC 58/4/12 (CESA); MEPC 58/4/14 (INTERTANKO); MEPC 58/4/24 (Denmark); MEPC 58/4/26 (Japan); MEPC 58/4/27 (Japan); MEPC 58/4/28 (Japan); MEPC 58/4/29 (Japan); MEPC 58/4/30 (IACS); MEPC 58/4/33 (China); MEPC 58/4/34 (China); MEPC 58/4/35 (United States); MEPC 58/4/36 (Canada); MEPC 58/4/38 (Canada); MEPC 58/4/3 (Secretariat); MEPC 58/4/11 (Marshall Islands); MEPC 58/4/13 (INTERTANKO *et al.*); MEPC 58/4/37 (Canada); and MEPC 58/INF.7 (ICS *et al.*).

Category 4 – Six documents on market-based measures

MEPC 58/4/19 (IBIA); MEPC 58/4/21 (IMarEst); MEPC 58/4/22 (Denmark); MEPC 58/4/23 (part) (Australia); MEPC 58/4/25 (France *et al.*); and MEPC 58/4/39 (WWF).

REPORT OF THE INTERSESSIONAL GHG WORKING GROUP, COMMENTS AND OTHER DOCUMENTS ON MATTERS OF PRINCIPLE OR POLICY

4.9 As agreed above, the Committee started the discussion with the consideration of the outcome of the intersessional GHG Working Group (GHG WG 1), general comments thereon and other documents on application of measures and matters of principle or policy.

4.10 The Director, Marine Environment Division, introduced document MEPC 58/4 (Secretariat), providing the outcome of the intersessional GHG Working Group. He highlighted that more than 210 representatives from Member Governments and observer organizations participated in the 5-day meeting hosted by the Government of Norway and organized by the Norwegian Maritime Directorate. In accordance with its terms of reference, the intersessional meeting had structured the discussion under the following items on its agenda:

- .1 development of a CO₂ Design Index for new ships;
- .2 review of the a CO₂ Operational Index (MEPC/Circ.471);
- .3 development of a CO₂ Baseline methodology;
- .4 development of reduction mechanisms, including their implementation;
- .5 development of best practices; and
- .6 level of reduction and other GHG matters.

4.11 The Director stressed that without the intersessional meeting, the Committee would not be in a position to further advance the GHG issue at the present session and, although some points under discussion could not be finalized during the meeting due to lack of time, it was to be expected that significant progress could be made during the week. He finalized by thanking the Government of Norway for its generosity and hard work in organizing the meeting, as well as for its warm hospitality.

4.12 The Chairman, in endorsing the words of the Director, MED, expressed his deep appreciation to the Government of Norway for the excellent organization of the intersessional meeting and thanked especially all the delegates who, through hard work and tireless dedication, had contributed to the success of the meeting.

4.13 Having approved the report of GHG WG 1 (MEPC 58/4) in general, the Committee turned to the 14 action points in paragraph 8.1 of that document. The Committee, noticing that 12 action points invited it to “note” the outcome of the intersessional meeting’s discussion, agreed to note those 12 action points. However, regarding action points 8.1.2 and 8.1.4, whereby it was being invited to consider the draft Guidelines on the method of calculation of the CO₂ Design Index and the draft regulatory text for a mandatory CO₂ Design Index, respectively, the Committee, recalling its previous decision in paragraph 4.7.3 above, agreed to refer them to the Working Group to be established under this agenda item.

4.14 In order to facilitate discussion, the Committee agreed to a proposal by the Chairman to further structure the introduction of documents, and discussion of the proposals contained therein, along three additional categories, namely:

- .1 proposals on the form of a legal instrument; documents: MEPC 58/4/15 (United Kingdom), MEPC 58/4/17 (United States) and part of MEPC 58/4/18 (Cyprus);
- .2 application of the proposed measures; documents: MEPC 58/4/16 (Australia, Canada *et al.*), MEPC 58/4/20 (Secretariat), part of MEPC 58/4/23 (Australia), MEPC 58/4/31 (Brazil) and MEPC 58/4/32 (China and India); and
- .3 other issues; documents: part of MEPC 58/4/18 (Cyprus), MEPC 58/INF.14 (Norway) and MEPC 58/INF.21 (FOEI).

4.15 The delegation of South Africa expressed its hope that the Organization should work in unison with other UN bodies in the vital task of combating climate change and that, in taking important decisions at the present session, it would do so in accordance with those principles adopted at other UN fora.

Form of legal instrument

4.16 The United Kingdom, in document MEPC 58/4/15, considered the need for an independent mandatory instrument to address GHG emissions from shipping and the form that instrument could take. Having reviewed the possible shortcomings that an amendment to MARPOL Annex VI, or even the adoption of a new Annex VII to MARPOL could entail, a new stand-alone instrument represented the only available option despite the timeframe necessary for its adoption and eventual entry into force, in the view of the United Kingdom.

4.17 The United States, in document MEPC 58/4/17, proposed a possible framework for action (not requiring amendments to MARPOL Annex VI, or a new mandatory instrument) to increase energy efficiency for new ships through a combination of mandatory and voluntary actions for addressing emissions from new and existing ships.

4.18 Cyprus, in document MEPC 58/4/18, proposed a “solution outline” to move forward the work in IMO on GHG emissions from ships including a mandatory Design CO₂ Index under MARPOL Annex VI and a voluntary Operational Index.

4.19 Once the three documents had been introduced, the Chairman opened a debate on the issue of whether any new mandatory measures should be in the form of amendments to MARPOL Annex VI, a new Annex VII to MARPOL, or a new stand-alone instrument.

4.20 Before concluding the debate, however, and taking into account that the Consortium in charge of the Update of the 2000 IMO GHG Study had scheduled a presentation to the Committee on the outcome of Phase 1 of the Study to take place at close of business, the Chairman proposed the Committee turn to documents related to the Update of the 2000 IMO GHG Study. The Committee agreed to this approach.

UPDATING OF THE 2000 IMO GHG STUDY

4.21 The Chairman of the Steering Committee for the updating of the 2000 IMO GHG Study, Ms Petra Bethge, Germany, briefly introduced documents MEPC 58/4/2 and MEPC 58/4/4, as well as MEPC 58/INF.6.

4.22 The Committee noted that document MEPC 58/4/2 provided a progress report by the Steering Committee on the updating of the 2000 IMO Greenhouse Gas Study.

4.23 The Committee noted with appreciation the introduction by the coordinator of the international Consortium contracted to undertake the update of the Study, Dr. Buhaug, of MARINTEK, who provided a summary of the main findings in documents MEPC 58/4/4 (Executive Summary) and MEPC 58/INF.6 (Full Report) with information on Phase 1 of the updated 2000 IMO Study on GHG emissions from ships. The Committee noted, *inter alia*, the following findings:

- .1 CO₂ emissions from international shipping have been estimated both from activity data and from international fuel statistics. It was concluded that the activity-based estimates with use of detail activity data (for different ship sizes and types) gave a better prediction of global fuel consumption and CO₂ emissions from international shipping than fuel statistics due to apparent under-reporting of marine bunker sales;
- .2 the consensus estimate for 2007 CO₂ emissions from international shipping, amounts to 843 million tonnes CO₂; and
- .3 future emissions from international shipping have been estimated based on global developments outlined by the Intergovernmental Panel on Climate Change (IPCC). Assuming that there are no explicit regulations on CO₂ emissions from ships, CO₂ emissions are predicted in the base scenarios to increase by a factor of 2.4 to 3.0 by 2050. For 2020, the base scenario predicts increases ranging from 1.1 to 1.3. These predictions take into account significant efficiency improvements resulting from expected long-term increases in energy prices.

The text of the introduction by Dr. Buhaug is given at annex

4.24 The Committee noted with appreciation the information by the delegation of Japan that the Japanese Shipowners Association had made a donation of US\$100,000 as a contribution to the funding of the Study and any follow-up work.

GENERAL STATEMENTS BY MANY DELEGATIONS

4.25 Before resuming the discussion on the issue of whether any new mandatory measures should be in the form of amendments to MARPOL Annex VI, a new Annex VII to MARPOL, or a new stand-alone instrument (paragraphs 4.16 to 4.20 above), the Chairman opened the floor for general statements at the request of several delegations.

4.26 The delegations of the following 44 Member States, one Associate Member and three observer organizations in consultative status, listed by order of intervention, delivered general statements on matters of principle or policy concerning the GHG issue: China; Brazil; Saudi Arabia; India; France; Argentina; Hong Kong, China; Italy; Mexico; Democratic People's Republic of Korea; Greece; the United States; Singapore; the Republic of Korea; Venezuela; Peru; the Philippines; Norway; Egypt; Finland; Belgium; Ghana; Chile; Namibia; the Netherlands; Australia; the Russian Federation; Uruguay; Japan; the Islamic Republic of Iran; the United Kingdom; Bolivia; the Marshall Islands; Vanuatu; New Zealand; Ecuador; Denmark; Germany; Sweden; Spain; Indonesia; Colombia; Sierra Leone; Mongolia; FOEI; IACS; WWF and Cook Islands.

The statements, as delivered by the delegations, are set out at annex ...

4.27 Many delegations spoke in favour of the common but differentiated responsibility (CBDR) principle under the UNFCCC. In their view, any mandatory regime aiming at reducing GHG emissions from ships should be applicable to developed countries listed in Annex I of the UNFCCC only.

4.28 Many other delegations expressed the opinion that, given the global mandate of IMO as regards the safety of ships and the protection of the marine environment from ship emissions, the IMO regulatory framework on the GHG issue should be applicable to all ships, irrespective of the flags they fly. It was stressed that, as three-quarters of the world's merchant fleet fly the flag of developing countries not listed in Annex I to the UNFCCC, any regulatory regime on the reduction of GHG from shipping would become meaningless and ineffective for the purpose of combating climate change, if applicable only to Annex I countries.

INTERVENTIONS BY THE SECRETARY-GENERAL

4.29 The Secretary-General commented with appreciation upon a previous statement by the delegation of South Africa (paragraph 4.15 above) calling upon IMO to act in unison with other UN bodies in the combat against climate change while, at the same time, preserving the principle of consensus under which the Organization has usually made decisions along its history of 50 years of service to the world's maritime community. He thanked also the delegations of China and Brazil for their constructive approach in the course of the current debate and informed the Committee that he maintained a close relationship with the Executive-Director of the UNFCCC, Mr. de Boer, trying to ensure that the outcome of the debate at IMO would be in conformity with the principles enshrined in the UNFCCC.

4.30 Once all general statements had been made, the Secretary-General intervened to inform the Committee that, in relation to certain assertions that had been made, he wished to put the record straight concerning the standing of the International Maritime Organization *vis-à-vis* other UN organizations and agencies. He quoted article 59 of the IMO Convention which states:

“The Organization shall be brought into relationship with the United Nations in accordance with Article 57 of the Charter of the United Nations as the specialized agency in the field of shipping and the effect of shipping on the marine environment. . . .”

The Organization, then, has a global mandate and has global competence on matters related to the protection of the environment from emissions caused by shipping and is not subordinate to any other UN body in that respect.

CHAIRMAN’S PRELIMINARY SUMMING-UP

4.31 In view of the time elapsed in the course of the delivery of the general statements, and the imperious need to address other urgent matters in the Committee’s agenda, the Chairman proposed to the Committee the establishment of the Working Group in order to progress the work towards the finalization of the Design CO₂ Index for new ships and the Operational CO₂ Index for existing ships, in accordance to the Committee’s GHG Work Plan agreed at MEPC 55.

4.32 The Chairman proposed that the Working Group, in order to make the best use of the time available, could start working immediately on the mentioned technical measures set out in the 23 “Category 1” documents mentioned in paragraph 4.8 above, without addressing the issue of whether those measures should be implemented by means of a mandatory, or voluntary, instrument; and report back to the plenary on Thursday, 9 October 2008, where a decision could be made in that respect.

4.33 Following some debate, the Committee, in concurring with a proposal by Brazil, agreed to change the terms “Design CO₂ Index” to “Energy Efficiency Design Index”; and “Operational CO₂ Index” to “Energy Efficiency Operational Index”.

4.34 The Committee also agreed to the Chairman’s proposal to consider on Thursday, 9 October 2008, the remaining issues under this agenda item, namely: market-based measures, applicability and other related matters such as the establishment of an IMO GHG Fund as proposed by Cyprus (MEPC 58/4/18).

4.35 The Committee, in endorsing a proposal by the Chairman, expressed its sincere appreciation to the outgoing Working Group Chairman, Mr. Bin Okamura (Japan), for his excellent leadership of the Working Group on Air Pollution from Ships that had dealt with so many challenging, complex and politically sensitive issues under his very able chairmanship.

4.36 The Committee noted that Mr. Koichi Yoshida (Japan) had agreed to take over as Working Group Chairman and expressed its appreciation that he was willing to take over this challenging task.

ESTABLISHMENT OF THE WORKING GROUP ON GHG EMISSIONS FROM SHIPS

4.37 The Committee agreed to establish the Working Group on GHG emissions from ships, under the chairmanship of Mr. Koichi Yoshida (Japan), with the following Terms of Reference:

Taking into account all relevant documents, as well as comments and decisions made in plenary, the Working Group was instructed to:

- 1 try to finalize the Energy Efficiency Design Index, including:
 - .1 the method of calculation, using annex 5 to document MEPC 58/4 as a basis;
 - .2 the regulatory text, using annex 6 to document MEPC 58/4 as a basis;
 - .3 a verification procedure; and
 - .4 any necessary associated guidelines;
- 2 try to finalize the review of the interim guidelines on the Energy Efficiency operational index (MEPC/Circ.471), including the Carbon to CO₂ factors for marine fuels to be communicated to IPCC;
- 3 consider the proposals on introduction of a management tool for all ships, taking into account the Ship Efficiency Management Plan described in document MEPC 58/INF.7;

- 4 develop further the guidance on best practices and other voluntary operational measures including reference text to be incorporated in the regulatory framework;
- 5 list, if any, possible impacts on the shipping sector from the measures envisaged; and
- 6 present a written report to plenary by Thursday, 9 October 2008.

OUTCOME OF THE WORKING GROUP ON GHG EMISSIONS FROM SHIPS

[4.38 Having received the outcome of the Working Group (MEPC 58/WP.8), the Committee approved the report in general and:

- .1 approved the Interim Guidelines on the method of calculation of the Energy Efficiency Design Index for new ships, set out in annex ...;
- .2 agreed that the Interim Guidelines should be disseminated by means of an MEPC circular;
- .3 endorsed the view of the group that the Guidelines on the method of calculation of the new Energy Efficiency Design Index should be used in the interim period on a trial basis with a view to further refinement and improvement;
- .4 endorsed the group's agreement to use document MEPC 58/4/8 for further studies and trials;
- .5 noted that the group was unable to finalize the review of the Energy Efficiency Operational Index;
- .6 approved the establishment of an intersessional correspondence group and its terms of reference to further advance the work on the Energy Efficiency Operational Index;
- .7 noted the outcome of the discussion on the Management Tool for all ships;

- .8 noted that the group developed further the Guidance on best practices for fuel-efficient operation and agreed that the text had been finalized and could be used in conjunction with the ship's Energy Efficiency Management Plan; and
- .9 approved the holding of an intersessional meeting of the GHG Working Group back-to-back with BLG 13, from 9 to 13 March 2009, to carry out further necessary work under the Terms of Reference, as set out in annex ...

MARKET-BASED MEASURES

[more to come]

APPLICABILITY

[more to come]

ESTABLISHMENT OF AN IMO GHG FUND

[more to come]

OTHER ISSUES

[more to come]

10 REPORTS OF SUB-COMMITTEES

OUTCOME OF BLG 12

10.1 The Committee recalled that the twelfth session of the Sub-Committee on Bulk Liquids and Gases (BLG 12) had been held from 4 to 8 February 2008 and that its report was issued as document BLG 12/17.

10.2 The Committee noted that urgent matters emanating from BLG 12 relating to the "Prevention of air pollution from ships" and "Harmful aquatic organisms in ballast water" had already been dealt with at MEPC 57.

10.3 It was noted further that the outcome of BLG 12 on other ballast water management issues had been addressed separately under agenda item 2.

10.4 The Committee approved the report of BLG 12 in general and took action as indicated hereunder on all remaining items referred to it by the Sub-Committee as reflected in document MEPC 58/10 (Secretariat).

Draft amendments to MARPOL Annex I

10.5 The Committee considered the draft amendments to MARPOL Annex I on the prevention of pollution during the transfer of oil cargo between oil tankers at sea. In this context, the Committee noted two documents: MEPC 58/10/4 (IACS) and MEPC 58/10/7 (Liberia, the Marshall Islands, Singapore, the United States, INTERTANKO, ICS and OCIMF) proposing further modifications to the draft which had been submitted for consideration.

10.6 In document MEPC 58/10/4 from IACS, it was noted that ship-to-ship transfer (STS) operations require both oil tankers involved in the transfer to have an approved STS plan and that accordingly, a practical implementation regime is required in order to accommodate this situation.

10.7 It was proposed to address this by linking the provision of an STS plan to the first IOPP survey following entry into force of the new regulation. All STS operations carried out on/after 15 months from the entry-into-force date would then need to be in accordance with the approved plan.

10.8 This approach was widely endorsed by a number of Member States and these modifications to the draft amendment were accordingly agreed. The length of the application timeline was discussed but it was accepted that 15 months was needed in order to accommodate a permissible 3 months' grace period on the survey date.

10.9 Following an intervention from OCIMF to request clarification that approval could be through the Safety Management System Documentation and that it was not a requirement for approval of a stand-alone STS plan, it was confirmed that this was indeed the intent of the regulation.

10.10 In document MEPC 58/10/7, it was proposed by the co-sponsors that draft regulation 42 (“advance notification”) of MARPOL Annex I should either be deleted from the present amendments or modified such that notification of STS transfers are only required for operations within territorial seas or internal waters.

10.11 After extensive debate on this issue reflecting on the impact of a notification period both in terms of commercial considerations and rights under UNCLOS, it was agreed that draft regulation 42 should be retained but that the reference to the exclusive economic zone in paragraph 1 should be placed in square brackets, with a decision on this point then being taken at MEPC 59.

10.12 The Committee approved the draft amendments to MARPOL Annex I concerning prevention of pollution during transfer of oil cargo between oil tankers at sea, as set out in annex ..., with a view to adoption at MEPC 59.

Other issues

10.13 The Committee endorsed the Sub-Committee’s view that, in principle, the Chairman of the GESAMP/EHS Working Group should be present, if needed, at ESPH Working Group meetings during the debate on the report and the discussion on the evaluation of new products for inclusion in the IBC Code. The Committee agreed that, if needed, funding support should be made available from the revenue arising from the new charging mechanism put into place for EHS evaluations.

10.14 The Committee noted the Sub-Committee’s agreement to specify in the cover note of MEPC.2/Circ.14 that MEPC.2/Circ.13 would remain valid until 31 December 2008 and that MEPC.2/Circ.14 will become effective on 1 January 2009. This action was needed in order to tie in with the adoption of the 2007 amendments to the IBC Code which would enter into force on 1 January 2009. The Committee further noted that the temporary precedence arrangements previously applied to List 1 products in the MEPC.2/Circular would no longer be required.

10.15 The Committee noted the Sub-Committee’s view on issuing a new publication of the IBC Code in order to clarify the product listings in force following the introduction of the new amendments.

10.16 The Committee endorsed the future work programme for the intersessional meeting of the ESPH Working Group from 27 to 31 October 2008 and noted that the revision of chapter 19 of the IBC Code would continue as part of the work programme with a target completion date of 2009.

10.17 The Committee, noting MSC 84's concurrent decision, approved the holding of an intersessional meeting of the ESPH Working Group in 2009.

10.18 The Sub-Committee's progress in its consideration of the application of requirements for bio-fuels and bio-fuel blends was noted.

10.19 With respect to the proposal to expand the terms of reference of the ESPH Working Group to include blending on board, whilst some delegations advised that this was an ongoing practice and therefore a concern, others had the view that insufficient information had been made available to support this point.

10.20 The Committee agreed that a final decision on whether to expand the terms of reference on this topic should be taken by the BLG Sub-Committee. If a need is demonstrated by the submission of relevant information and agreed by BLG 13, the ESPH Working Group should then work on this issue during 2009. In view of this decision, it was noted accordingly that this item cannot be addressed at the forthcoming ESPH 14 meeting.

10.21 The Committee noted that the Sub-Committee had agreed to establish an intersessional correspondence group on the development of measures for minimizing the transfer of invasive aquatic species through bio-fouling of ships to further progress the issue and report to BLG 13.

10.22 Following MSC 84's concurrent decision, the Committee approved the proposed revised work programme of the Sub-Committee and the provisional agenda for BLG 13. This included a new high-priority item on the work programme and agenda for BLG 13 on Amendments to MARPOL Annex I on the use and carriage of heavy grade oil (HGO) in the Antarctic area (see paragraph 19...). With respect to the latter item, the Committee agreed that the Sub-Committee should be requested to develop amendments for review at MEPC 59.

10.23 The Committee endorsed the course of action taken by the Sub-Committee to approve BLG.1/Circ.23 on requirements for the carriage of Gas-to-Liquid oils and agreed also to issue this as MEPC.1/Circ....

OUTCOME OF DE 51

10.24 The Committee recalled that the fifty-first session of the Sub-Committee on Ship Design and Equipment (DE 51) had been held from 18 to 22 February 2008 and that its report was issued as document DE 51/28.

10.25 The Committee noted that, although DE 51 was held before MEPC 57, no urgent items arising from DE 51 had needed to be addressed at the last session of the Committee.

10.26 The Committee approved the report of DE 51 in general and took action on the items referred to it by the Sub-Committee as reflected in document MEPC 58/10/1 (Secretariat) as indicated hereunder.

Draft amendments to MARPOL Annex I and consequential amendments to the IOPP Certificate and ORB

10.27 The Committee considered the draft amendments to MARPOL Annex I but noted that further text changes had been proposed in document MEPC 58/10/6 (Ireland) relating to the text of existing regulation 12.1 and the combination of draft subparagraphs 12.2.2 and 12.2.3.

10.28 The Committee accepted these changes and agreed to modify the text accordingly. In this context, it was noted that in view of the renumbering of existing paragraphs 2 and 3, there would be a consequential need to also update the Unified interpretations applicable to these paragraphs (U.I.16 and U.I.17, respectively).

10.29 With respect to the new subparagraphs proposed in the draft amendments for Regulation 1 – Definitions, the term “waste oil” as used in paragraph 1.31 was questioned by the delegation of the Netherlands, as “waste oil” is not defined. To avoid any misunderstandings on this point, it was agreed that “waste oil” should be qualified as “generated during the normal operation of a ship”.

10.30 The Committee subsequently approved the draft amendments to MARPOL Annex I, as set out in annex ..., with a view to adoption at MEPC 59.

10.31 The Committee also approved draft amendments to the Supplement to the IOPP Certificate Forms A and B for adoption at MEPC 59, as set out at annex

10.32 The Committee noted that the Sub-Committee had noted views that the development of unified interpretations on the use of code letters in the Oil Record Book would be beneficial. The delegation of the Netherlands advised that they did not support this view since it was preferable to have clarity in the interpretation of the code letters in the Oil Record Book itself, revising the text as needed.

10.33 The Committee considered draft amendments to the Supplement to the Oil Record Book Parts I and II but noted that further text changes had been proposed in document MEPC 58/10/6 (Ireland) relating to footnote changes for sections C and I in List of Items to be recorded for ORB Part 1. These changes to the Oil Record Book amendments, as set out at annex ..., were approved by the Committee for adoption at its next session.

10.34 Having taken the above decisions, the Committee requested the Secretary-General to circulate the proposed amendments to MARPOL Annex I, the IOPP Certificate and Oil Record Book in accordance with the requirements of article 16 of the MARPOL Convention with a view to adoption at MEPC 59.

10.35 As a further point, the issue of recording sludge volume reductions following the heating of oil residue had also been raised by the co-sponsors of document MEPC 58/10/5 (Marshall Islands, INTERTANKO, ICS and OCIMF) proposing the need to take a decision on using either Code C or Code I for recording purposes. It was agreed by the Committee that Code C should be employed for recording purposes.

10.36 Whilst accepting this approach, it was noted that difficulties can arise for port State control if attempting to balance sludge volumes on the basis of C11 and C12 entries as it can be problematic to account for reduction effects.

10.37 The delegation of Denmark, whilst supporting the use of Code C, advised that once the amendments are approved, they intend to propose guidelines to assist with the recording activity.

10.38 Additionally, the Committee noted that guidance was required as to what percentage reduction in the volume of sludge should be accepted. To address this issue, the Committee agreed to refer this matter to DE for consideration.

Other issues

10.39 The Committee noted that the Sub-Committee, with regard to the issue of a mandatory phase-out of oily water separators and oil discharge monitoring systems complying with resolutions MEPC.60(33) and A.586(14), had invited Member Governments and interested organizations to submit comments and proposals to DE 52 under the agenda item “Any other business”.

10.40 The Committee concurred with the view of the Sub-Committee that, with regard to the issue of electronic means to control oil discharges from ships, while the use of electronic means to control oil discharges on board ships should be possible, those means should not be intended as a replacement of the current Oil Record Book, which had proved to be an effective way of controlling illegal discharges, but rather as a supplement to it, which could help reinforce compliance, and should only be fitted voluntarily.

10.41 The Committee approved the MEPC circular on Supplementary guidelines on approval of bilge and sludge handling systems for compliance with MARPOL Annex I (DE 51/28, annex 10) and requested the Secretariat to issue this as MEPC.1/Circ.....

10.42 The Committee also approved the draft MSC/MEPC circular on Blanking of bilge discharge piping systems in port, subject to concurrent decision by MSC 85 later this year.

10.43 The Committee noted that the DE Sub-Committee has requested the FP Sub-Committee to consider the matter of safety issues associated with the heating of oil residue (sludge) to a level likely to be above its flashpoint as a method to reduce its water content, and provide advice to MEPC accordingly.

10.44 In this context, the Committee noted the concerns on this issue expressed in document MEPC 58/10/5 but agreed that the work tasked to the FP Sub-Committee should continue. Member States were invited to submit any relevant information to the FP Sub-Committee which may facilitate their work in order that further decisions may be taken at MEPC 59.

10.45 The Committee approved the MEPC circular on Amendments to the Revised guidelines for systems handling oily wastes in machinery spaces of ships incorporating guidance notes for an integrated bilge water treatment system (IBTS) (DE 51/28, annex 12) and requested the Secretariat to issue this as MEPC.1/Circ....

10.46 The Committee also approved the MEPC circular on Harmonized implementation of the Revised guidelines and specifications for pollution prevention equipment for machinery spaces of ships during the type-approval process (DE 51/28, annex 13) and requested the Secretariat to issue this as MEPC.1/Circ.....

10.47 In this regard, it was noted that document MEPC 58/10/9 (United Kingdom and IMarEST) questioned if a new test procedure for chemical separation treatments which operate on a cyclic process was now needed (since the normal test methods based on a continuous flow of fluid cannot be applied in such cases). The Committee recognized that this may be beneficial and invited proposals to be put forward for consideration at a future session of the Committee.

10.48 The Committee considered the revocation of Unified Interpretation 15.1.5 to regulation 12.1 of MARPOL Annex I but noted that further clarification on how this should be applied had been proposed in document MEPC 58/10/8 (Japan). This reflects the view that the current UI 15.1.5 should continue to be applicable to ships on which the building contract is placed before the date of the revocation of UI 15.1.5 or, in the absence of a building contract, the keel of which is laid before the same date. Additionally, it proposed that revocation of UI 15.1.5 should take effect on the same date when amendments to MARPOL Annex I, which relate to the definition of “oil residue (sludge) tanks”, enter into force.

10.49 The Committee agreed with the proposal and endorsed the new text proposed for UI 15.1.5 as set out in annex

10.50 The Committee considered the development of a unified interpretation for new ships which will give the possibility for reduction of the oil residue (sludge) tank capacity equal to the size of

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the incinerator capacity or other oil residue (sludge) reduction equipment. This was not supported by the Committee and it was concluded that there was no need for a Unified Interpretation.

10.51 The Committee noted the view of the Sub-Committee that the draft amendments to SOLAS regulation II-1/3-5.2 agreed at the session, prohibiting all new installations of asbestos on board ships without exceptions, might have an impact on the Ship Recycling Convention currently under development.

OUTCOME OF FSI 16

10.52 The Committee recalled that the sixteenth session of the Sub-Committee on Flag State Implementation (FSI 16) was held from 2 to 6 June 2008 and its report was issued as document FSI 16/18.

10.53 The Committee approved the report of FSI 16 in general and, in particular, took action on the items referred to it by the Sub-Committee as reflected in document MEPC 58/10/2 (Secretariat) as indicated hereunder.

10.54 The Committee endorsed the Sub-Committee's decision to request the Secretariat to collate the proposals for the completion of the study on the combination of casualty and port State control data and to identify the datasets that might be needed for combining casualty and PSC data.

10.55 The Committee also endorsed the Sub-Committee's decision not to require Members to complete Part 3 of their MARPOL reports under MEPC/Circ.318 starting from 2008, as the Secretariat can utilize data extracted from the GISIS module on port reception facilities when compiling summary reports for the Annual Enforcement Report on Reception Facilities (Parts 3a and 3b of MEPC/Circ.318).

10.56 The Committee further endorsed the Sub-Committee's agreement to consider amending MEPC/Circ.318 at a later stage when it becomes clear whether the reporting requirements for the Annual Statistic Report on MARPOL-related discrepancies and detentions (Part 4 of MEPC/Circ.318) could also be satisfied through a data extraction from GISIS, thereby avoiding two amendments of MEPC/Circ.318 within a relatively short period of time.

10.57 The Committee approved the Advanced Notification Form (ANF) of the Action Plan on Tackling the Inadequacy of Port Reception Facilities (FSI 16/5, annex 1) and requested the Secretariat to issue this as MEPC.1/Circ....

10.58 The Committee also approved the Waste Delivery Receipt (WDR) of the Action Plan on Tackling the Inadequacy of Port Reception Facilities (FSI 16/5, annex 2) and requested the Secretariat to issue this as MEPC.1/Circ.... In this context, as commented earlier, it was noted that waste should be qualified as meaning that “generated during the normal operation of a ship”.

10.59 The Committee endorsed the Sub-Committee’s agreement to extend the target completion date of work items 2.1, 2.3, 3.1, 3.2, 4.1, 4.2 and 5.3 of the Action Plan on Tackling the Inadequacy of Port Reception Facilities to 2009.

10.60 The Committee considered the proposed MSC-MEPC.3 circular on Reports on marine casualties and incidents (FSI 16/18, annex 1). In reviewing this, it was noted that there is an oversight in annex 2 of the draft MSC-MEPC.3 circular as it is currently set out. This relates to section 7.3.3 of annex 2 of the draft where the category options for Chemicals in Bulk are presented using the old MARPOL system of A, B, C, D. Following the revision of MARPOL Annex II, the new pollution categories of X, Y, Z and OS should be employed and the draft circular needs to be corrected accordingly. Subject to this amendment and to concurrent decision by MSC 85 later this year, the Committee approved the MSC-MEPC.3 circular.

10.61 The Committee endorsed the Sub-Committee’s decision on the issues of the finalization of protocols with the Secretariats of those PSC regimes, which have agreed in principle with the data exchange of reports on all PSC inspections, and the establishment of the data exchange with the PSC Information Centres.

10.62 The Committee noted the Sub-Committee’s view that the draft MSC/MEPC circular on Blanking of bilge discharge piping systems in port did not need any changes, and its request to the Secretariat to provide all PSC regimes with a copy of the draft circular, as requested by DE 51.

10.63 The Committee further noted the Sub-Committee’s agreement to re-establish the Correspondence Group on Port State Control and its instruction, *inter alia*, to initiate the

development of draft Guidelines on PSC under the 2004 BWM Convention taking into account the outcome of MEPC 58 on Guidelines for ballast water sampling (G2).

10.64 The Committee approved, subject to MSC's concurrent decision, the MSC-MEPC circular on Unified interpretation of the application of regulations governed by the building contract date, the keel-laying date and the delivery date for the requirements of the SOLAS and the MARPOL Conventions.

10.65 The Committee concurred with the Sub-Committee's recommendation to add an annex 7 to the Code for the Implementation of Mandatory IMO Instruments showing the amendments to IMO instruments not yet accepted at the date of revision of the Code, but expected to be accepted and to enter into force within the following months, and instructed the Sub-Committee to develop this accordingly, subject to MSC's concurrent decision and the endorsement of the Council.

10.66 The Committee noted the outcome of the Sub-Committee's review of the question of the applicability of IMO Conventions to FPSOs and FSUs.

10.67 The Committee approved the proposed revised work programme of the Sub-Committee and provisional agenda for FSI 17 (see paragraph 19...).

10.68 The Committee endorsed the report on the status of the Sub-Committee's planned outputs in the High-level Action Plan for the current biennium.

Review of the Consolidated Audit Summary Report

10.69 The Committee noted that, as requested by MEPC 57 (MEPC 57/21, paragraph 10.27), the Sub-Committee had considered document A 25/8/2 on the Consolidated Audit Summary Report (FSI 16/18, paragraph 14.35) and had requested its Correspondence Group on the Review of the Survey Guidelines under HSSC and the Code for the Implementation of Mandatory IMO Instruments to conduct a detailed review of the Summary Report with a view to:

- .1 developing a methodology for the analysis of the Summary Report so as to provide feedback to Member States and the Organization on the recurrent findings, including identification of possible underlying causes and best practices; and

- .2 making recommendations on the effectiveness of the implementation by Member States of mandatory instruments falling within the scope of the audit scheme, and on the areas where specific technical co-operation activities would benefit Member States.

10.70 The Committee noted that the outcome of FSI 17 (April 2009) on the report of the Correspondence Group would be submitted to MEPC 59 for consideration with a view to then informing the Council and the Assembly in due course.

OUTCOME OF NAV 54

10.71 The Committee recalled that the fifty-fourth session of the Sub-Committee on Safety of Navigation (NAV 54) was held from 30 June to 4 July 2008 and its report was issued as document NAV 54/25.

10.72 The Committee noted the information referred to it by the Sub-Committee as outlined in document MEPC 58/10/3 (Secretariat) in relation to “Amendments to the existing ship reporting system for the Papahānaumokuākea Marine National Monument Particularly Sensitive Sea Area, (CORAL SHIPREP)” and the “Impact of resolution MEPC.118(52) (revised MARPOL Annex II) upon existing AIS shipboard installations”.

OUTCOME OF SLF 51

10.73 The Committee recalled that the fifty-first session of the Sub-Committee on Stability and Load Lines and on Fishing Vessels Safety (SLF 51) was held from 14 to 18 July 2008 and its report was issued as document SLF 51/17.

10.74 From the report of SLF 51, the Committee noted the following comment, in relation to the “Impact of small pleasure and fishing craft on the marine environment”:

“5.26 Recalling the comments made in plenary and the instruction by MSC 84 on addressing the possible action by IMO on the impact of small pleasure and fishing craft on the marine environment, the Sub-Committee noted the group’s concern that it had minimal expertise in environmental matters and, therefore, it could not properly address these issues. Consequently, the Sub-Committee agreed that relevant environmental issues

should be addressed by the MEPC, in consultation with other UN agencies and non-governmental organizations, and invited MEPC 58 to consider the above view and take action as appropriate”.

10.75 In the context of this comment, the Committee decided that this matter should be considered further at MEPC 59.

OUTCOME OF DSC 13

10.76 The Committee recalled that the thirteenth session of the Sub-Committee on Dangerous Goods, Solid Cargoes and Containers (DSC 13) was held from 22 to 26 September 2008, but noted that, with respect to DSC 13, no urgent matters have come forward and, consequently, the outcome of this meeting relating to the Committee’s work will be submitted to MEPC 59 for consideration.
