



Asian Shipowners' Association

Safe Navigation & Environment Committee (SNEC)

c/o Federation of ASEAN Shipowners' Associations (FASA)

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MINUTES OF THE 35th INTERIM MEETING OF THE ASIAN SHIPOWNERS ASSOCIATION SAFE NAVIGATION & ENVIRONMENT COMMITTEE HELD AT 9:00 AM ON THURSDAY 18 OCTOBER 2018 IN THE MARINA MANDARIN HOTEL, SINGAPORE.

For good order, the Committee adopted the ASA Competition Law Compliance Statement and affirmed that it would comply with all applicable competition laws and regulations.

1. Welcome Remarks

The Chairman welcomed all members to the 35th meeting of the ASF Safe Navigation & Environment Committee.

2. Matters Arising

3. Consideration of Minutes of the 34th Meeting of the Safe Navigation & Environment Committee

The Committee considered the minutes of the 34th meeting of the Safe Navigation & Environment Committee.

With no amendments, the Committee approved the minutes of the 34th Meeting of the Safe Navigation & Environment Committee held on 26 March 2018.

Action By

To Note

4. Upcoming Issues of Concern

4.1 2020 Global Sulphur Cap

Recalling prior discussions on the work needed to ensure consistent implementation of the 0.50% global sulphur cap, the Committee further noted that:

- Refineries need to step up to take some responsibility for ensuring that supply will be able to meet demand.
- Similarly, charterers must be prepared to ensure suitable fuel is available.
- The onus cannot lie solely on owners.
- This is a pressing issue as ships currently equipped with scrubbers make up a very small percentage of the world fleet.
- The IMO's Fuel Availability Study formed the basis for the decision to adopt a 2020 date – if no suitable, ISO-certified fuels are available, IMO must be prepared to adopt interim measures.

4.1.1 Outcome of Intersessional Meeting – 9-13 July 2018

The Committee took note of the developments arising from the IMO Intersessional Working Group meeting held on 9-13 June 2018, which discussed the implementation of the 2020 Global Sulphur Cap.

In particular, the Committee welcomed the development of voluntary ship implementation planning – the plans list a series of actions that owners are invited to implement sufficiently in advance so as to be compliant on 1 January 2020.

In addition, the presence of the implementation plan may help PSC determine if the vessel is compliant.

The work of the Working Group will be continued at MEPC 73 and PPR 6 – the Secretariat will continue to monitor developments.

4.1.2 MEPC 73

The Committee noted that:

The 73rd session of the IMO Marine Environment Protection Committee would be held from 22-27 October 2018 in London.

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- MEPC 73 (and PPR 6 next February) will draw up a set of guidelines to help ensure consistent implementation of the new 2020 regulations which are due to be finalised at the 74th meeting of the international body's Marine Environment Protection Committee (MEPC 74) in May 2019.
 - Areas where guidance will be provided include: risk assessment of the impact of new fuels; fuel oil system modifications and tank cleaning (if needed); fuel oil capacity and segregation capability; procurement of compliant fuel; fuel oil changeover plans; and documentation and reporting, he informed.

It was further noted that MEPC 73 will adopt the draft rules prohibiting the carriage of non-compliant fuel for combustion purposes – the Secretariat will continue to monitor developments.

4.1.3 Industry Concerns

The Meeting took note of the Secretariat's presentation on the current state of play relating to the 2020 sulphur cap. In the subsequent discussion, the following concerns were discussed:

- Supply & Cost
Concerns remain over the availability of compliant fuel come 2020.
It was emphasized that IMO will not accept cost as a reason for failing to take on compliant fuel.
- Experience
Given the potential impact 2020 is expected to have, the Marshall Islands had submitted a paper to MEPC 73 proposing that an "experience-building phase".
Expectations are that the Marshall Islands proposal will not be adopted, however, as it could be seen as a way to delay the entry into force of the 2020 cap.

- Training & Enforcement

Given the global scope of the 2020 cap, concerns remain over the capacity of Port State to train inspectors to conduct the necessary tests to verify sulphur content.

This, in turn, could have an impact on the ability to maintain a level playing field.

It was further noted that, with regard to enforcement, in addition to the carriage ban on high-sulphur fuel for ships that are not equipped with scrubbers, bunker suppliers will not be allowed to sell high-sulphur fuel to non-compliant vessels.

- Fuel Quality and Contamination

Following the incident of widespread fuel contamination earlier this year arising from fuel loaded off the US Gulf Coast, the Meeting noted that there could be an increase in the number of incidents of fuel contamination after 2020.

The Meeting further agreed to a proposal by the ASA Secretary General that the ASA Secretariat could prepare a paper expressing the ASA SNEC's concerns.

ASA

4.2 Ballast Water Convention Update

4.2.1 Same Risk Area

The Committee recalled that it had consistently called for the creation of a Same Risks Area within ASEAN waters that will exempt vessels engaged solely in intra-ASEAN trades from the International Convention for the Control and Management of Ships' Ballast Water & Sediments (BWM Convention), since ASEAN states are likely to share similar or identical ecosystems.

In this regard, the Committee welcomed the update from the Maritime & Port Authority of Singapore (MPA) on the status of the creation of an ASEAN Same Risks Area.

In the subsequent discussion:

- The Committee encouraged FASA-MASA to engage their maritime administration to focus on the 50 nautical mile zone and to identify target species in Penang and Port Klang – this will allow the project to move to Stage II.
- Similarly, the Committee expressed hope that FASA-INSa could also engage their maritime administration.
- It was further opined that representatives from the Philippines, Thailand and Vietnam could also sit in when INSA engages its maritime administration – this would enhance their credibility when the time comes to engage their respective maritime administrations.

*All to note/
FASA-
MASA/
FASA-
INSa/
FASA-FSA/
FASA-TSA/
FASA-VSA*

[Afternote: Copies of the MPA presentation were sent to all SNEC delegates on 26 October 2018.]

5. Piracy & Armed Robbery Against Ships

5.1 Status Update – ASEAN/Asia

The Committee noted that, based on ReCAAP statistics, for January to June 2018:

- There were 40 incidents (29 actual & 11 attempted) in Asia.
- There were no CAT 1 incidents - no actual incident of abduction of crew and oil cargo theft.
- Of the 40 incidents, the lowest number was for CAT 2 (2 incidents) and the highest number for CAT 4, which are mainly petty theft, opportunistic in nature.
- There was a decrease of incidents in the port/anchorages in Philippines.
- There were concerns noted over the following areas:
 - There is a slight increase of incidents in the Singapore Straits and ports and anchorages at Vietnam
 - One attempted abduction of crew in Sulu-Celebes Seas
 - One attempted theft of oil cargo

In addition, ReCAAP had advised that, there were a total of 122 accidents over the last 10 years in the Straits of Malacca and Singapore, out of which, 111 incidents happened in the Singapore Straits.

5.2 Status Updates – IMB Report on Piracy Against Ships Q2 2018

The Committee noted that, in its Report on Piracy Against Ships Q2 2018, IMB had reported that:

- A total of 107 incidents were reported in the first six months of 2018 – 69 vessels were boarded, with 23 attempted attacks, 11 vessels fired upon and 4 vessels hijacked.
- No vessels were hijacked in the second quarter
- The number of crew kidnappings decreased from 41 in the second quarter of 2017 to 25 during the same period in 2018. However, all 25 crew kidnappings occurred in the Gulf of Guinea.

5.3 Security in Yemen – EUNAVFOR-CMF Threat Assessment and Threat Bulletin (RTB 010)

The Committee noted that:

EUNAVFOR-CMF had issued Industry Releasable Threat Bulletin (IRTB 010) which relates to an incident in which an unnamed Saudi Arabia flagged tanker was attacked by a probable projectile or waterborne IED.

- It assessed that the incident is highly likely related to the ongoing conflict in Yemen and the targeting of merchant shipping from nations supporting the Saudi led Coalition (SLC).
- Given the location of the incident, there continues to be a risk of collateral damage or misidentification to all merchant traffic including those not flagged to SLC states.
- The requirement for vigilance when transiting this area, together with the timely reporting of all suspicious incidents, remains crucial

In this regard, the Committee further noted that EUNAVFOR-CMF had urged companies, ships and seafarers to follow the guidance in BMP5, the Global Counter Piracy Guidance for Companies, Masters and Seafarers and the Guidance on Maritime Security in the Southern Red Sea and Bab al-Mandeb, and to utilise the MSTC whilst

remaining as far from the Yemen coast as navigationally safe.

The Secretariat will continue to monitor the situation.

5.4 Cybersecurity

The Committee welcomed the presentation on a shipowner's perspective and experience with implementing cybersecurity measures by Captain George Solomon (FASA-SSA).

[Afternote: Copies of the FASA-SSA presentation were sent to all SNEC delegates on 26 October 2018.]

6. Any Other Business

6.1 Next SNEC Meeting

The next Meeting of the Safe Navigation & Environment Committee, is tentatively scheduled to be held in March 2019.

The confirmed date will be circulated to all Committee members at a later date.

Instead of being held in Singapore, it was further agreed that the meeting could be hosted by another ASA member association.

6.2 Progress Report on Project 13

The Meeting welcomed a presentation by JSA on the progress of Straits Project 13 of the Malacca Strait Council.

[Afternote: Copies of the JSA presentation were sent to all SNEC delegates on 26 October 2018.]

*To Note /
Secretariat*

Delegates List
Members of Asian Shipowners Association
At the
35th Interim Meeting of the Safe Navigation & Environment Committee
18 October 2018

Members:

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|---------------------------------|---|-------------|
| 1. Ms Lisa Teo (Vice Chairman) | - | FASA – SSA |
| 2. Mr Michael Phoon (Secretary) | - | FASA |
| 3. Capt. Ang Chin Eng | - | ASA |
| 4. Mr. Dylan Ow | - | ASA |
| 5. Mr Dario R Alampay | - | FASA - FSA |
| 6. Atty Augusto Arreza, Jr. | - | FASA – FSA |
| 7. Mr. Shaharuzzaman Baharum | - | FASA – MASA |
| 8. Ms Katie Men | - | FASA – SSA |
| 9. Capt. George Solomon | - | FASA – SSA |
| 10.Mr. Montri Vinittvorakul | - | FASA – TSA |
| 11.Mr. Nguyen Duy Luan | - | FASA – VSA |
| 12. Mr. Nguyen Anh Dung | - | FASA – VSA |
| 13. Captain. Do Quang Minh | - | FASA – VSA |
| 14. Captain. Pham Minh Phuong | - | FASA – VSA |
| 15. Capt. Akira Ohmori | - | JSA |
| 16.Capt. Seiichiro Watanabe | - | JSA |
| 17. Mr Lee Chul-Jung | - | KSA |
| 18. Mr. Quek Tsui Chiang | - | Rapporteur |

Absent with apologies

1. CSA
2. HKSOA
3. INSA
4. FASA - BSC
5. FASA – MFSL
6. NACS