

## Circular - Series R

Circular Series R (Regulations) supersedes previous Series F. In the new Series R, relevant legal amendments and amendments to conventions are also published.

### Circular recipients: (check box)

- Sdir: Norwegian Maritime Authority
- A: 16 specially authorised employment offices
- U: Selected foreign service missions
- P: Equipment manufacturers, any subgroups
- OFF: Offshore companies/OIM/operators
- Hov: Main organisations
- H.i. Bodies or agencies for their comments
- Others:

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**Reference to:** Regulations of 30 May 2012 No. 488 on environmental safety for ships and mobile offshore units

## Amendments to the Regulations on environmental safety for ships and mobile offshore units

### Introduction

The Norwegian Maritime Authority (NMA) has laid down amendments to the Regulations of 30 May 2012 No. 488 on environmental safety for ships and mobile offshore units (Environmental Safety Regulations) section 14c. The Regulations have been issued under the Ship Safety and Security Act, and section 14c of the Environmental Safety Regulations sets requirements for emissions of nitrogen (NO<sub>x</sub>) for ships sailing in three world heritage fjords, the Geirangerfjord, Nærøyfjord and Aurlandsfjord.

Section 14c of the Environmental Safety Regulations entered into force on 1 March, and the aim of the new requirements is to reduce the levels of NO<sub>x</sub> in the world heritage fjords. NO<sub>x</sub> emissions have been identified as a periodic problem in the world heritage fjords. The gradual tightening of the NO<sub>x</sub> requirements gives the industry time to adapt to the new requirements. The amendments imply a delayed phase-in of the NO<sub>x</sub> requirements for cargo ships.

The proposal was circulated for review from 10 September to 17 November 2021. The NMA received a total of 19 consultative statements, whereof three did not include comments to the proposal. The NMA read through every comment but found no grounds to amend the proposal that was circulated for review. A list of relevant consultative bodies and comments is included in the attached consultation matrix.

### Further details on section 14c of the Environmental Safety Regulations

The phase-in dates for Tier I, Tier II and Tier III regarding NO<sub>x</sub> emissions are specified in the Environmental Safety Regulations section 14c first paragraph (a to c). Until now, this provision has applied to all ships of 1,000 gross tonnage and upwards, irrespective of the vessel's year of construction. The second paragraph is amended and now states that cargo ships of 1,000 gross tonnage and upwards shall, irrespective of the vessel's year of construction, comply with the Tier III requirements by 1 January 2030. At the same time, the first paragraph has been amended by exempting ships as mentioned in the first paragraph from the phase-in dates of section 14c first paragraph (a to c). Ships other than cargo ships of 1,000 gross tonnages and upwards shall, irrespective of the year of construction, continue to meet the Tier I, Tier II and Tier III requirements by 1 January 2020, 2022 and 2025, respectively. The exemption provision of the existing second paragraph is continued in a new third paragraph. These amendments enter into force immediately.

### **Reason for the amendments**

The NO<sub>x</sub> requirements of the world heritage fjords were made applicable for every ship, irrespective of the year of construction, whereas the requirements elsewhere in Norway only apply to engines installed in new ships or new engine installations. As a result, there was a shortage of cargo ships complying with the applicable NO<sub>x</sub> requirements in the world heritage fjords that could be used for transport in these areas. The shortage of available cargo ships has had a negative effect on land-based industry located in the world heritage fjord area and industry using cargo ships for the transport of products. As a consequence, in February 2021, the NMA was assigned by the Ministry of Climate and Environment to investigate the consequences for land-based industry in the area and the possibility to exempt cargo ships associated with such industry from the NO<sub>x</sub> requirements, and also to look into how such an exemption could be formulated.

In connection with this assignment, DNV was asked to investigate possible consequences of the introduction of NO<sub>x</sub> requirements for land-based industry in the world heritage fjords. As part of this assignment, the NMA had meetings with affected parties in the industry. In their report, DNV has investigated the available cargo ship capacity (general cargo ships or bulk carriers of 1,000 to 5,000 gross tonnage) operating wholly or partially in Norwegian waters and meeting the Tier I, Tier II and Tier III NO<sub>x</sub> requirements. A total of 261 ships were identified, whereof 125 do not meet any of the requirements, 72 ships meet the Tier I requirements, 22 ships meet the Tier II requirements and 7 ships meet the Tier III requirements. Furthermore, the mentioned ships are of an average age of around 30 years, and the industry does not find it economically sound to upgrade these ships based on transport assignments in the world heritage fjords only. In meetings with affected parties in the industry, it was also pointed out to the NMA that the transition to NO<sub>x</sub> Tier I from 1 January 2020 has made the shipping companies use unnecessarily large ships or sail longer distances, which in this context has led to unnecessary emissions of NO<sub>x</sub>. The NMA recognises that although the NO<sub>x</sub> emissions from cargo ships in the world heritage fjords will be reduced by 4–5 tonnes with the introduction of Tier III NO<sub>x</sub> requirements, this represents a relatively small proportion of the total emissions of NO<sub>x</sub> from ships in the world heritage fjords, which were estimated at 372 tonnes for 2019.

A delayed phase-in of the Tier III NO<sub>x</sub> requirements implies a small increase in emissions compared to the current level, but will take into account optimised logistics for land-based industry. This solution also provides for future emission reductions.

### **Administrative and financial implications**

As regards emissions of NO<sub>x</sub>, section 14c of the Environmental Safety Regulations sets out a gradual phase-in of the Tier I, Tier II and Tier III requirements from 1 January 2020, 2022 and 2025, respectively. The amendments entail a delayed phase-in of NO<sub>x</sub> requirements for cargo ships in terms of Tier III, and a reversal in terms of Tier I and Tier II. Since affected parties only to a limited degree have or have had the intention of complying with the NO<sub>x</sub> requirements of section 14c, as they have no financial incentive to operate in the world heritage fjords, it is assumed that there will be no significant financial or administrative implications resulting from the amendments at this time. However, it must be expected that the introduction of the Tier III requirements in 2030 will lead to substantial costs for the companies. It is currently not possible to make an estimate of the costs involved.

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*This document has been electronically approved, and therefore does not contain handwritten signatures.*