MARINE SAFETY AND SECURITY MANAGEMENT SYSTEM

TIER I - POLICY

POLICY FOR IMPLEMENTATION OF CANADA'S PROHIBITION ON THE USE AND CARRIAGE FOR USE AS FUEL OF HEAVY FUEL OIL BY SHIPS IN CANADIAN ARCTIC WATERS

Effective Date	Date of Revision

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- 1.1 The objective of the Policy is to promote a consistent approach when implementing the International Maritime Organization's (IMO's) *Prohibition on the use and carriage for use as fuel of heavy fuel oil by ships in Arctic waters* (herein the "prohibition of heavy fuel oil") in Canadian Arctic waters.
- 1.2 The Policy also lays out the conditions a Canadian vessel must meet in order to be eligible for application of a 2-years waiver to the compliance timelines of the prohibition on the use and carriage for use as fuel of heavy fuel oil, laid out below while ensuring the intent and objectives of the regulations are preserved.
- 1.3 This prohibition is enforceable under the *Interim Order Prohibiting the Carrying of Certain Oils on Board Vessels in Arctic Waters*.

2 Policy Statement

- 2.1 This policy was developed to guide Transport Canada Marine Safety and Security (TCMSS) and the marine industry in implementing and complying with, respectively, of the prohibition on the use and carriage for use as fuel of heavy fuel oil in Canadian waters. It also outlines the conditions under which Canadian vessels trading domestically could be granted a waiver (extension) to delay compliance with the requirements of the prohibition of heavy fuel oil (HFO) for two years.
- 2.2 The International Maritime Organization (IMO) developed Regulation 43A of MARPOL Annex I to prohibit the use and carriage for use as fuel of oils listed in regulation 43.1.2 of MARPOL Annex I, on or after July 1, 2024 with special allowances to delay compliance until July 1, 2029, as outlined in 2.3 and 2.4 below.
- 2.3 All vessels except those noted in 2.4 are to comply with the prohibition on the use and carriage for use as fuel of HFO as of July 1, 2024.
- 2.4 Vessels for which Regulation 12A of MARPOL Annex I or Regulation 1.2.1 of chapter 1 of part II-A of the Polar Code apply are to comply with the requirements of the prohibition on the use and carriage for use as fuel of HFO as of July 1, 2029.

- 2.4.1 Canadian vessels which were delivered prior to August 1, 2010 for the requirements of Regulation 12A of MARPOL Annex I or prior to 2017 for 1.2.1 of Ch. 1 of Part II-A of the Polar Code but meet the tank design specifications for tanks 30 m³ or greater outlined in same may apply to the Marine Technical Review Board (MTRB) per the procedure outlined in 2.8 below. If granted a positive decision, those vessels will be required to comply with the requirements of the prohibition on the use and carriage for use as fuel of HFO as of July 1, 2029 and must retain a copy of the Board Decision on board.
- 2.4.2 From July 1, 2024 to July 1, 2029 HFO in all vessels can be carried in day tanks less than 30 m³, provided they are used exclusively to facilitate safe and practical fuel changeover procedures upon entering Canadian Arctic waters only.
- 2.5 When prior operations have included the use and carriage of oils listed in regulation 43.1.2 of Annex I as fuel, the cleaning or flushing of tanks or pipelines is not required once the vessel has discharged all remaining fuel and has an empty tank as defined in section 8.4.
- 2.6 The Minister of Transport allows waivers for Canadian vessels outlined in 2.3 until no later than July 1, 2026, upon application under the Marine Technical Review Board Process.
- 2.7 Such waivers will only be considered for Canadian vessels outlined in Section 2.3 and that engage in marine resupply voyages, provided that those voyages constitute at least 75% of annual voyages in Canadian waters.
- 2.8 Once the Marine Technical Review Board Process for Granting a Regulatory Exemption or Replacement (TP 13585 E) is followed and an approval is issued, a copy of the Board Decision shall remain on-board the vessel. Information on the particulars of such waiver should be communicated to the IMO.

3 Scope

- 3.1 All vessels operating within Canadian Arctic waters.
- 3.2 This Policy does not apply to ships engaged in securing the safety of ships or in search and rescue operations, and ships dedicated to oil spill preparedness and response.

4 Authority

4.1 *The Canada Shipping Act, 2001, s.26.* Section 26 of the CSA 2001 provides the authority to the Minister of

Transport (or his delegate) to make decisions via the Marine Technical Review Board (MTRB) on applications for an exemption from, or the replacement of, any requirement under the regulations or an Interim Order in respect of a Canadian vessel or in respect of the issuance of a Canadian maritime document to a person, other than one with respect to fees.

4.2 Interim Order Prohibiting the Carrying of Certain Oils on Board Vessels in Arctic Waters

The prohibition on the use and carriage for use as fuel of heavy fuel oil in Canadian Arctic waters is enacted through an Interim Order issued under authority of S 10.1(1) of the *Canada Shipping Act*, 2001.

5 Responsibility/ further information

5.1 The Director, Environmental Programs & Protection Standards (AMSK), is accountable for the development, implementation, maintenance, and continuous improvement of the procedure.

For further information, please contact:

Director, AMSK

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Ottawa (Ontario) K1A 0N8

Email: <u>AMSKCoordination@tc.gc.ca</u>

6 Related Documents

- 6.1 International Convention for the Prevention of Pollution from Ships (MARPOL), Annex I
- 6.2 Canada Shipping Act, 2001
- 6.3 Marine Technical Review Board Process for Granting a Regulatory Exemption or Replacement (TP 13585 E)

7 Background

- 7.1 In 2021, the International Maritime Organization adopted a prohibition on the use and carriage for use as fuel of heavy fuel oil with support from Canada. The prohibition is designed to mitigate the risk to the Arctic from spills of heavy fuel oils, which due to their high viscosity can have serious negative impacts on the Arctic environment, including being extremely difficult to clean up once spilled.
- 7.2 While not yet written into the *Vessel Pollution and Dangerous Chemicals Regulations*, the prohibition of heavy fuel oil will be implemented in Canada via an Interim Order.

- 7.3 A vessel is compliant with the prohibition of heavy fuel oil if it does not have fuels defined under Regulation 43.1.2 of MARPOL Annex I onboard for the purpose of use or carriage for use as fuel in Arctic waters.
- 7.4 Designed as a spill prevention measure, the prohibition of heavy fuel oil (HFO) recognizes that vessels compliant with Regulation 12A of Annex I or regulation 1.2.1 of chapter 1 of part II-A of the Polar Code are less likely to have a HFO spill due to the breaching of the hull. These vessels are required to comply with the requirements on July, 1 2029.
- 7.5 Granting a waiver until July, 1 2026 would allow industry additional time to source compliant fuels and send a signal to suppliers about the need for increased supply.

8 Definitions

- 8.1 **Arctic waters** mean those waters as defined in regulation 46.2 of Annex I to MARPOL, and in respect of foreign vessels in waters under Canadian jurisdiction within those Arctic waters.
- 8.2 **Constructed** means a ship the keel of which is laid, or which is at a similar stage of construction.
- 8.3 **Delivered has the same** meaning as regulation 28.9 of MARPOL Annex 1.
- 8.4 **Empty tank** means the vessel's fuel tank which contains marine fuel oil should have no more than:
- 8.4.1 one inch in depth; or,
- 8.4.2 no more than 0.3 percent by weight of the total tank capacity; or
- 8.4.3 until no more substance can be pumped out by vessel's fuel oil system without modification.
- 8.5 **Heavy fuel oil** (HFO) means any fuel oils that meet the specific characteristics defined in Regulation 43.1.2 of MARPOL Annex I; namely oils, other than crude oils, having a density at 15°C higher than 900 kg/m³ or a kinematic viscosity at 50°C higher than 180 mm²/s.
- 8.6 **Marine resupply** means vessels primarily engaged (see section 2.7) in community resupply.

9 Date of Application

9.1 July 1, 2024.

10 Date for Review or Expiry

10.1 This Policy must be reviewed within one year of approval of the Policy.

11 RDIMS Reference

- 11.1 The English version of this document is saved in RDIMS under reference number 20338204.
- 11.2 La version française du présent document est dans le SGDDI et porte le numéro de référence 20338228.

12 Keywords

- Arctic
- Heavy fuel oil