

Minutes of the 61st POC Meeting

Date: 10 February 2012 (Friday)

Time: 1100 hours

Venue: Room A, 24/F, MD Headquarters

Present		Chairman
	Mr. Ivan H.M. TUNG	
	Mr. Neville LAM	Container Terminal Industry (CTI)
	Mr. Phileas FONG	Dockyard and Harbour Tug Operators (DHTO)
	Mr. K.L. WONG (on behalf of Mr. Albert WONG)	HK Cargo Vessel Traders' Association (HKCVTA)
	Mr. Peter NG	HK Liner Shipping Association (HKLSA)
	Capt. W. ZHOU (on behalf of Mr. L.C. CHAN)	HK Shipowners Association (HKSA)
	Mr. Sunny HO	HK Shippers' Council (HKSC)
	Mr. M.S. CHAN	Licensed Pilot (LP)
	Mr. Raymond CHENG	HK General Chamber of Commerce's Shipping and Transport Committee
	Ms. Cecilia CHAN	Oil Industry Representative Committee
	Mr. Cruff CHEUK (on behalf of Ms. Julina CHAN)	Transport & Housing Bureau (THB)

Mr. William LAM Civil Engineering and Development
(on behalf of Mr. K.S. Department (CEDD)
LI)

Mr. S.M. CHUNG Marine Department (MD)

Mr. S.C. LEUNG Secretary

Presenter Messrs. Simon NG & Hong Kong University of Science and
Ben LIN Technology (HKUST)

Messrs. W.C. MOK, S.W. Environmental Protection Department
PANG, Tony LEE, Billy (EPD)
CHEUNG, Brian LAU &
Ms. Phoebe LUI

Apologies Mr. T.K. CHEUNG Local Ferry Operators

Mr. C.H. CHEE Wharf & Godown Operators

1. **Opening Remarks**

The Chairman welcomed all to the meeting and introduced the following:

- **Mr. K.L. WONG** representing HKCVTA on behalf of Mr. Albert WONG
- **Capt. W. ZHOU** representing HKSA on behalf of MR. L.C. CHAN
- **Mr. Cruff CHEUK** representing THB on behalf of Ms. Julina CHAN
- **Mr. William LAM** representing CEDD on behalf of Mr. Robin

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- **Capt. M.S. CHAN** representing LP
- **Messrs. Simon NG & Ben LIN** representing HKUST
- **Messrs. W.C. MOK, S.W. PANG, Tony LEE, Billy CHEUNG, Brian LAU & Ms. Phoebe LUI** representing EPD

The Chairman also informed Members that the gazette for new POC membership had been published on 3 February 2012.

2. Confirmation of the Minutes of the 60th Meeting held on 2 September 2011.

As there was no amendment received from Members, the minutes of the 60th POC meeting were confirmed.

3. POC Paper No. 2/2012
Study on Marine Vessels Emission Inventory

3.1 **Mr. Simon NG** (HKUST) made a power point presentation on the subject in the aspects of the background, objectives, scope of study and key findings of the study on marine vessels emission inventory which was commissioned by EPD. In his presentation, he introduced the methodology in compiling an emission inventory for ocean-going vessels (OGVs) and river trade vessels (RVs) within Hong Kong waters. The study areas included Hong Kong Harbour, container terminal basin, major fairways, ferry routes and approaches to berths. Air pollutants included in the inventory were Sulphur Dioxide, Nitrogen Oxides, Particulate Matter, Volatile Organic Compound and Carbon Monoxide. The study was also to project a corresponding emission inventory from 2008 to 2020. He summarized the study findings that container vessels accounted for about 80% of the emission amongst the OGVs and most OGV emissions were produced during hotelling and slow cruising. Less emissions were produced during maneuvering.

3.2 Following HKUST's presentation, **Mr. W.C. Mok** (EPD) made a

power point presentation on “Controlling Emissions of Air Pollutants from Marine Vessels”. He covered aspects of the current legislative control, new initiatives for air quality improvement and their benefits. Proposed improvement measures in Pearl River Delta (PRD) waters included Incentive Scheme for Fuel Switch at Berth (the Scheme) and establishment of Emission Control Area (ECA). He revealed that consultations with the trade and stakeholders were undertaken on the upgrading of the quality of vessel fuel sold locally. He summarized that the implementation of the 3 measures would bring about a reduction of 20% Sulphur Dioxide, 21% Respirable Suspended Particulates and 1% Nitrogen Oxides.

- 3.3 **Mr. Peter NG** (HKLSA) stated that HKLSA supported the Scheme and 13 to 14 members of HKLSA had implemented the Scheme of fuel switch at berth. He enquired about any data available to show the differences made before and after the Scheme implementation. **Mr. Simon NG** responded that air pollutants levels had been monitored since the implementation of the Scheme in January 2011. The data collected so far was limited and the survey was still on-going. Up-to-date there were 18 shipping companies participated in the scheme. The result of survey would be reported to POC when the study was completed. **Mr. W.C. MOK** supplemented that the initial emission data collected at Kwai Chung area so far was constructive. In 2011 despite the rise of cargo throughput, initial data showed that the Sulphur Dioxide level was reduced by 8%.
- 3.4 **Mr. Sunny HO** (HKSC) enquired if the emission data collected was related the vessel types or the number of calls. **MR. William LAM** (CEDD) enquired about the methods of collecting the emission data. **Mr. Simon NG** responded that in compiling emission inventory various factors including the types of vessels and their number of calls had been taken into account; and the methodology using an activity-based approach to derive emissions estimates was recognized internationally. He further stated that the data reflected that container vessels are the major source of emission.
- 3.5 **Mr. Sunny HO** enquired if different types of vessels could use different types of fuel oil and whether the sulphur contains in fuel received in different ports varied.

- 3.6 **Mr. Simon NG** responded that OGVs mainly used heavy oil. The sulphur contain in heavy oil bunkered at different ports might vary but not significant. For diesel, it was between 0.3-0.5% sulphur contain in major bunkering ports.
- 3.7 **Ms. Cecilia CHAN** (OIRC) stated that the trade supported the initiative of using cleaner fuel and urge EPD to liaise with the Mainland counterpart to follow the same standard, otherwise vessels would choose to bunker in Mainland because of lower prices. **Mr. W.C. MOK** responded it was understood that the same sulphur contain standard of diesel was followed in the Mainland and further measures to control the use of marine fuel was being considered.
- 3.8 **Capt. M.S. CHAN** (LP) enquired if the ageing of vessels and the vessel's maneuvering mode within harbour area had been taken into consideration in the emission estimates. **Mr. Simon NG** explained that the factors relevant to the age of vessels and maintenance status had been taken into account in the study. Further assessment on the emission level during low speed mode needed to be addressed, nevertheless, lower fuel consumption would result lower emission level.
- 3.9 **The Chairman** responded that, in the course of setting up low-speed zone, navigation safety needed to be addressed. He enquired about the percentage of emission arisen from marine vessels. **Mr. Brian LAU** (EPD) responded that, in recent years, marine emission contributed 30 to 40% of the total emission in Hong Kong. **The Chairman** further asked whether other ports encountered the similar situation as Hong Kong. **Mr. Simon NG** replied that initial benchmarking was also made in the study comparing Hong Kong with other major ports. He quoted that it was compulsory for vessels staying at Los Angeles Port to use low-sulphur fuels. The study indicated a common observation that emission arisen from vessels staying in port contributed a major percentage in total emission level.
- 3.10 **The Chairman** raised concern on the proposal to impose 0.1% S limit on local vessels. **Mr. W.C. MOK** responded that consultation with the trade on the proposal was undertaken and a task force group would be formed to conduct trial on the issue. Subject to the outcome of the trial,

the implementation timing of the proposal would be determined.

- 3.11 **Mr. Peter NG** stated that it was important for having sufficient supply of low sulphur fuel at bunkering ports. **Mr. W.C. MOK** responded that it would be a business opportunity to Hong Kong in supplying 0.1% S fuel to serve as a bunkering port.

4. **Matters Arising from the 60th meeting**

- 4.1 Paragraph 4.2 – Dredging for Kwai Tsing Container Basin and Approach Channel:

The Chairman updated members on the progress of the project:

EPD issued the Environmental Permit for construction and operation of the project on 27 October 2011. MD was keeping in view the implementation timetable with CEDD. The concerns of the Ma Wan mariculturists and some Tsuen Wan District Council (TWDC) members on ex-gratia allowance (EGA) package remained to be resolved. FHB was reviewing the EGA package and the outcome of the review was expected to be available in February 2012. The timing for the consultations with the mariculturist and fisherman groups, as well as the four district councils, would likely be carried out within the first half of 2012. Thereafter, CEDD would gazette the dredging project under the Foreshore and Seabed (Reclamations) Ordinance. Subject to smooth progress on consultations with the district councils, gazetting and obtaining LegCo Finance Committee's funding approval by end of 2013, the revised programme of the dredging project could be started in mid-2014 for completion in 2016. It would be important to receive the trade's support for seeking funding for the project. As the dredging project timetable on the government side had become clearer, MD would coordinate with container terminal operators to dovetail their respective dredging plans according to the progress of the dredging project.

- 4.1.1 **Mr. Peter NG** expressed concern on the delay of the dredging project and stressed that more mega sized container ships were on coming. **The Chairman** pointed out that the dredging works would not take long, but the statutory/consultation processes had been deferred due to the judicial review on the EIA report on the Hong Kong-Zhuhai-Macao

Bridge Project. Subject to the outcome of the EGA package review, it was expected that the consultation process would be resumed shortly. **MR. William LAM** supplemented that the dredging works would only take 24 months and it was expected that the works would start in 2014. **Mr. Sunny HO** and **Mr. Peter NG** pointed out that provision of sufficient water depth for ships using the port was urgently needed. **The Chairman** responded that support from the trade was important to put the project through and stressed that co-operation of the container terminal operators to dovetail their respective dredging plans with the project was equally important.

4.2 Paragraph 4.4 – Proposal for Typhoon Mooring Buoys:

The Chairman reported to Members that our colleagues of Vessel Traffic Centre were following up the request with the proponent and suggested to remove the item from POC agenda. No objection was received from Members.

4.3 Paragraph 5 - Upgrading of Vessel Traffic Services (VTS) System and Construction of a new Vessel Traffic Centre (VTC) and Marine Emergency and Maritime Rescue Co-ordination Centre (MRCC):

Mr. S.M. CHUNG (MD) reported that LegCo Panel on Economic Development (ED Panel) supported the proposal for replacing / upgrading the VTS System at its meeting on 17 January 2012. MD would seek approval from the Finance Committee (FC) on 20 April 2012. Subject to the funding approval, MD and EMSD would proceed with preparation of tender documents with a view to awarding the tender for manufacturing and installation of the equipment in end 2013 and complete the project by September 2016. It was decided that the proposal to construct a new building at the Stonecutters Island to house the new Vessel Traffic Centre should be pursued as a separate project for meeting the long term development needs in marine traffic control. **Capt. M.S. CHAN** pointed out that the VTS system was important to port operations. He enquired if the replacement of the VTS system could be completed in 2016. **Mr. S.M. CHUNG** responded that should funding approval be sought in April 2012, the replacement work was expected to complete in the 3rd Quarter of 2016. **Mr. Peter NG** enquired the rationale of placing the replica system at Kwai Chung. **Mr. S.M. CHUNG** responded that the two systems would be identical. Due to the lead time required for construction of the new Vessel Traffic Centre at Kwai Chung, it was decided to replace the VTS system at Shun Tak first and the new Vessel Traffic Centre should be pursued as a separate project for meeting the long term development needs.

4.4 Air Draught of Vessels Transiting underneath the Tsing Ma Bridge – Tidal Variations:

Mr. S.M. CHUNG reported that the trials were on-going and as at end of January 2012, major liner companies have utilized the tidal range to carry out 45 trials for vessels of air draught more than 53 meters to transit Ma Wan under the Tsing Ma Bridge. The Pilotage Advisory Committee (PAC) had agreed to run trials for one year, up to July 2012. The result of trials would be discussed at and followed up by PAC. Capt. W. ZHOU (HKSA) asked about the maximum air draught allowed. Mr. S.M. CHUNG replied that the maximum air draught allowed would be 55 meters.

5. Any Other Business

5.1 Proposal for Reduction in Port Dues and Fees:

Mr. Peter NG expressed that the freight transportation industry had been facing with a poor economic situation since the global economic downturn in 2008. In view to helping the trade to go through the difficult time, HKLSA urged the Government to consider reduction in Port Dues and Fees. The Chairman pointed out that reduction in Port Dues and Fees had been made in 2009 and 2011 respectively, the Government always demonstrated willingness to help the trade and at the same time needed to maintain an acceptable financial balance. In consideration of further reduction could be made this year, the Administration needed to study the estimated financial impact arisen. Mr. S.M. CHUNG supplemented that significant reduction in Port Dues and Fees had been made in 2011 and room for further reduction would be limited. Mr. Peter NG enquired whether provision of interim concession was feasible. Mr. Raymond CHENG (HKGCC) also urged the Government to take necessary measures to assist the trade in the difficult time. The Chairman replied that as the current financial year had not yet finished, we did not have the whole picture of the financial status of the Department. Therefore it was too early to consider this issue. Mr. K.L. WONG (HKCVTA) urged the Government to consider provision of allowances to port operators encouraging them to use cleaner fuels. The Chairman said that HKCVTA's suggestion would be recorded and the minutes of this meeting would be forwarded to EPD for consideration.

5.2 Air Draught restriction to vessels using the Kwun Tong Typhoon Shelter:

Mr. K.L. WONG stated that in the Kai Tak Development a bridge with

a clearance of 21 meters would be constructed across the entrance of Kwun Tong T/S which would seriously affect the use of the typhoon shelter by local vessels. He expressed the grief concern of the industry on the proposal. **The Chairman** suggested that the trade should express their views and concern to Development Bureau about the issue.

6. Date of Next Meeting

To be advised in due course.

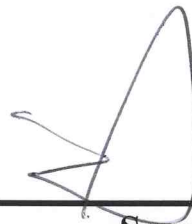
7. Close of Meeting

The meeting closed at 1315 hours.

Confirmed this 28th day of August 2012



Chairman



Secretary