

## Minutes of the 63rd POC Meeting

**Date:** 23 April 2013 (Tuesday)  
**Time:** 1030 hours  
**Venue:** Room A, 24/F, MD Headquarters

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<b>Present</b>		<b>Chairman</b>
Mr. S.M. CHUNG		Licensed Pilot (LP)
Mr. M.S. CHAN		HK Liner Shipping Association (HKLSA)
Mr. W.S. CHAN		Oil Industry Representative Committee (OIRC)
Miss Cecilia CHAN		HK General Chamber of Commerce (HKGCC)
Mr. Raymond K.W. CHENG		Local Ferry Operators (LFO)
Mr. T.K. CHEUNG		Dockyard and Harbour Tug Operators (DHTO)
Mr. Phileas Y.C. FONG		HK Shippers' Council (HKSC)
Mr. Sunny L.K. HO		Wharf & Godown Operators (W&G)
Mr. M.S. WONG		HK Cargo Vessel Traders' Association (HKCVTA)
Mr. Andrew K.L. WONG		Container Terminal Industry (CTI)
Mr. Charles C.W. YUNG		HK Shipowners Association (HKSOA)
Mr. W. ZHOU		Transport & Housing Bureau (THB)
Mr. F.L. CHEUK (on behalf of Ms. Julina CHAN )		
Mr. Gordon PEI (on behalf of Mr. K.S. LI )		Civil Engineering and Development Department (CEDD)

Mr. M.S. CHAN Secretary

**In Attendance**

Mr. Andrew LAI	Environmental Protection Department (EPD)
Mr. S.W. PANG	Environmental Protection Department (EPD)
Mr. Tony Y.T. LEE	Environmental Protection Department (EPD)
Mr. P. ZOU	Marine Department (MD)
Mr. H.W. WONG	Marine Department (MD)

**1. Open of Meeting**

1.1 **Mr. S.M. CHUNG**, Assistant Director/Port Control, opened the meeting on be-half of Mr. Francis LIU and welcomed all to the meeting. He introduced:-

1.1.1 **Mr. Gordon PEI** representing the CEDD on behalf of Mr. K.S. LI.

1.1.2 **Mr. F.L. CHEUK** representing the THB on behalf of Ms Julina CHAN.

1.1.3 **Mr. Andrew LAI**, **Mr. S.W. PANG** and **Mr. Tony Y.T. LEE** from EPD.

1.1.4 **Mr. P. ZOU** and **Mr. H.W. WONG** from MD.

**2. Confirmation of the Minutes of the 62nd Meeting held on 28 August 2012**

2.1 As no amendments were proposed by POC members, the minutes of the 62nd POC Meeting were confirmed.

### 3. Matters arising from the 62nd Meeting

#### 3.1 Dredging for Kwai Tsing Container Basin and its Approach Channel

- 3.1.1 **The Chairman** invited **Mr. PEI** (CEDD) to brief the members of the latest progress on the project.
- 3.1.2 **Mr. PEI** informed that relevant District Councils had been consulted and on 2 November 2012, CEDD reported the latest progress of the dredging project to the Port Development Council (PDC) which gave its support on the proposed works. On 25 March 2013, Legislative Council Panel on Economic Development was consulted on the proposed dredging works and no objection was raised by the Panel. **Mr. PEI** also advised that THB planned to submit a Public works Subcommittee (PWSC) paper on 5 June 2013 for funding application of the project. Subject to funding approval by the Finance Committee, CEDD planned to commence the proposed works in late 2013 for completion in mid 2016. **Mr. PEI** added that, to speed up the implementation of the project, with THB's approval on tendering before funding is secured, CEDD had invited tenders for the dredging works on 12 April 2013. **Mr. PEI** said CEDD had liaised with the industry, terminals operators and stake-holders regularly and would continue to communicate with them for their support on the proposed dredging works.
- 3.1.3 **Mr. W.S. CHAN** (HKLSA) asked and **Mr. F.L. CHEUK** (THB) responded that the container basin and portions of the Northern Fairway and Western Fairway would be dredged to from 15 metres below Chart Datum to 17.5 metres below Chart Datum.
- 3.1.4 **The Chairman** enquired and **Mr. Charles YUNG** (CTI)

responded that the terminal operators would facilitate the dredging works through the working / liaison group formed. **Mr. YUNG** said, for terminals of more than 360 metres such as CT9, dredging works within the 50 metres berth box in length would follow on completion the proposed works.

3.1.5 **The Chairman** requested all parties concerned to cooperate and to facilitate good traffic arrangement in the container terminal basin during the construction period in order to minimize the impact caused by the proposed dredging works.

3.1.6 **Mr. T.K. CHEUNG** (LFO) said none of the scheduled local ferry was routing through / via the container terminal basin and they would avoid the area concerned.

### **3.2 Air Draught of Vessels Transiting underneath the Tsing Ma Bridge – Tidal Variations (POC Paper No. 4/13)**

3.2.1 **The Chairman** invited and **Mr. P. ZOU** (MD) made a power point presentation on the review conducted and the new procedures being introduced. **Mr. ZOU** expressed that the implementation of the new procedures had been successful and the maximum tidal allowance utilized was about 1.7 metres.

3.2.2 **Mr. W. ZOU** (HKSOA) enquired whether Marine Department would allow 2.0 metres tidal allowance. **The Chairman** explained that the calculation of maximum tidal allowance was based on the actual tidal range and the safety factor adopted.

3.2.3 **Mr. Andrew WONG** (HKCVTA) enquired and **the Chairman** explained that the tidal allowance would apply to all vessels on the same principle. For vessels which had not participated in the trial, 7 days advance notice together with the relevant information should be given to

Marine Department before transiting the Tsing Ma Bridge. In respect of Mr. WONG's further enquiry, the Chairman replied that at present there was no alarm or sensor system to detect the air draught of the passing vessels. Marine Department would pay attention to technical development on height detection system and would consider to install such system when it was technically feasible in the future.

3.2.4 The paper was endorsed and the meeting agreed to remove the item from the next POC Meeting agenda.

### **3.3 Port Facilities and Light Dues Incentive Scheme for Ocean Going Vessels Using Cleaner Fuel**

**3.3.1** Mr. Andrew LAI (EPD) introduced the background and updated the progress of the Incentive Scheme. Mr. LAI updated the POC members of the following :

- (a) About 600 vessels had registered in the Incentive Scheme for Ocean Going Vessels using cleaner fuel since September 2012.
- (b) 1600 applications for reduction of Port Facilities and Light Dues had been received and 8 million dollars was remitted.
- (c) About 12% of visiting ocean-going vessels had switched to cleaner fuel after berthing since the Incentive Scheme was implemented.

## **4. New Items**

### **4.1 Presentation by Environment Protection Department – Consultation of Mandatory Fuel Switch at Berth Requirement for Ocean Going Vessels in Hong Kong Waters**

**4.1.1** Mr. Andrew LAI (EPD) began with the background of the

proposal and then introduced the proposal of mandatory fuel switch at berth requirement for ocean going vessels (OGVs) in Hong Kong Waters. **Mr. LAI** expressed that OGVs of the following categories could apply exemption from mandatory fuel switch :

- (a) staying in Hong Kong Water less than 2 hours.
- (b) using shore power.
- (c) for ship's safety reason.

**4.1.2 Mr. LAI** also introduced the proposal of new legislation to control fuel supply to all local vessels. The sulphur content of fuel would then be reduced to 0.05% from 0.5% starting from 1 April 2014.

**4.1.3 Mr. LAI** expressed that EPD had conducted tests and found that it was technically feasible for local vessels to use the 0.05% sulphur fuel. The cost impact for local vessels to use the 0.05% sulphur content was minimal because the cost of the lower sulphur fuel would only be about 1 % higher.

**4.1.4 Mr. M.S. WONG** (W&G) enquired and **Mr. LAI** responded as follow :

- (a) Regarding the air quality, the sulphur dioxide (SO<sub>2</sub>) would be reduced by 14% and respirable suspended particle (RSP) would be reduced by 6% after fuel switch at berth was mandated. Whereas SO<sub>2</sub> would be reduced by 10% and RSP would be reduced by 4% after all local vessels used 0.05% sulphur content fuel. It would be a substantial improvement in air quality.
- (b) With respect to the Port Facilities and Light Dues Incentive Scheme (IS) for Ocean Going Vessels using cleaner fuel, **Mr. LAI** expressed that the IS would be reviewed after three years.
- (c) With respect to the proposal on local vessels using low (0.05%) sulphur fuel, EPD had taken into account the concern of the industry. The proposal was economically feasible and pragmatic as the cost

of low sulphur fuel would only be about 1% higher.

- 4.1.5 Mr. T.K. CHEUNG** (LFO) raised that, though the number of local vessels with engines which were incompatible with low sulphur fuel would be small, EPD should consider subsidizing those operators needing engine replacements. **Mr. LAI** responded that EPD aimed to control the supply of fuel at this stage whereas the technical issue for engines compatibility would be explored at the next stage. **Mr. S.W. PANG** (EPD) added that the low sulphur fuel had been tested on existing fishing vessels and no technical problem was found on the engines.
- 4.1.6 Mr. M.S. WONG** (W&G) enquired and **Mr. Andrew LAI** (EPD) pointed out that the proposed new legislation would not reduce the emission of nitrogen oxide (NO). However, the air quality would still be improved significantly if low sulphur fuel was used. **Mr. LAI** added that, Hong Kong would be the first city in Asia to legislate the requirement for OGVs to switch fuel at berth.
- 4.1.7** Regarding the competitive advantage of the ports in Guangdong, **Mr. Andrew LAI** (EPD) said EPD had liaised with the Guangdong province on the proposed legislation and appealed to the mainland authority to require OGVs to switch fuel at berth in Guangdong ports.
- 4.1.8 Mr. W.S. CHAN** (HKLSA) commented that firstly, the reduction in Port & Light Dues under the Incentive Scheme was not attractive. Secondly, most ships were reluctant to switch to low sulphur fuel while manoeuvring in port for ship safety reason. Thirdly, for using cleaner fuel of 0.5% sulphur content, ship's engines needs to be modified and that would incur millions of dollars for engine modification. **Mr. Andrew LAI** (EPD) responded that he understood the difference for 0.5% sulphur fuel and the 3.5% sulphur fuel was about 300 dollars (US\$) per ton and he expressed that the fuel switch was required after berthing only. **Mr. CHAN** further commented that the government should take

into the account the difficulties of the shipping industry, otherwise ships might skip the port of Hong Kong. In response, **Mr. LAI** expressed that the government would strive for a fair competitive environment for the shipping industry.

**4.1.9 Mr. Sunny HO** (HKSC) commented that the Shippers' Council supported the fuel switch legislation so it would be fair to all vessels. **Mr. W.S. CHAN** (HKLSA) expressed that Hong Kong Liner Shipping Association would also support the new legislation and the government should increase the reduction in Port & Light Dues under the IS.

**4.1.10 The Chairman** enquired and **Mr. Andrew LAI** (EPD) responded that local vessels carrying fuel oil from other countries would not be regulated under the new legislation as the latter would only control the oil supply in Hong Kong.

**4.1.11 Mr. M.S. CHAN** (HKPA) enquired and **Mr. Andrew LAI** (EPD) responded that EPD would collect relevant information on the oil price from fuel oil suppliers and EPD would monitor the standard and quality of fuel oil supply in Hong Kong. **Mr. S.W. PANG** (EPD) added that the price of fuel oil in Hong Kong was lower than that in the Mainland.

**4.1.12** Regarding the fuel oil supply for OGVs, **Mr. Phileas FONG** (DHTO) raised his concern on the supply of 0.5% sulphur fuel. EPD responded that the fuel oil supply for OGVs would be available. Whereas, **Mr. W.S. CHAN** (HKLSA) commented that the supply of 3.5% sulphur fuel should be maintained. **The Chairman** opined that EPD should collect and take into account views from the industries concerned before finalising their new legislative proposal.

**4.1.13 Mr. Andrew WONG** (HKCVTA) was of the view that it

would be beneficial for Hong Kong to get Guangdong province to work together for improving the air quality. **The Chairman** requested EPD to report to POC on any progress with the Guangdong province in the future.

**4.1.14 Mr. Raymond CHENG** (HKGCC) enquired and EPD clarified that OGVs arrived in Hong Kong should switch fuel after anchoring unless the staying was less than two hours. **Mr. CHENG** commented that the new legislative proposal would discourage OGVs coming to Hong Kong for bunker, crew changes, changing documents and replenishment, etc., which only needed a few hours. EPD agreed to look into the concerns raised.

**4.1.15 Mr. M.S. WONG** (W&G) enquired about whether vessels working cargoes in anchorage could be exempted from the new legislative proposal and **the Chairman** responded that MD would look into the circumstance of mid-stream cargo operation at anchorage and provide information to EPD for their consideration on the new legislative proposal.

**4.1.16** After a comprehensive discussion on the issue, **the Chairman** thanked POC members and the representatives from EPD. **Mr. Andrew LAI** expressed that EPD would follow up on POC members' opinions expressed at the meeting.

## **4.2 POC Paper No. 2/13**

**Draft "Code of Practice – Working in Confined Space on Vessels:**

**4.2.1 The Chairman** invited **Mr. H.W. WONG** (MD) to present the paper.

**4.2.2 Mr. H.W. WONG** (MD) introduced the background for preparing the Code of Practice and briefed the meeting on the contents of the Code of Practice.

**4.2.3 The Chairman** expressed that the Code of Practice had received support from the Sub-committee on Safety for Works on Vessels of the Local Vessels Advisory Committee (LVAC) and **Mr. H.W. WONG** (MD) added that the Code of Practice had been circulated to LVAC members for comments and no adverse comments had been received.

**4.2.4 Mr. H.W. WONG** (MD) said that the Code of Practice would be submitted to the Director of Marine for approval and then promulgated by notice in Gazette.

**4.2.5** No comment was received from POC members and the paper was endorsed.

### **4.3 POC Paper No. 3/13**

#### **Amendments to the Code of Practice on Shipboard Container handling on Vessels**

**4.3.1 Mr. WONG** briefed the POC members with the major amendments proposed to the Code of Practice on Shipboard Container handling on Vessels.

**4.3.2 Mr. M.S. WONG** (W&G) enquired and **Mr. H.W. WONG** (MD) responded that the guidance and requirement for protective shoes were under a separate Code of Practice and that would be amended subsequently.

**4.3.3** As no further comment was received from POC members and the paper was endorsed.

## **5. Any Other Business**

**5.1 Mr. M.S. CHAN** (HKPA) enquired and **Mr. F.L. CHEUK** (THB) responded that the Government was conducting a feasibility study on CT10, which would be completed in

mid-2013. Thereafter, the Government will take into consideration the study results, the global and local economic situation, the performance of the port sector, and the views of stakeholders when deciding on the need for CT10.

**6. Date of Next Meeting**

**To be advised in due course.**

**7. Close of Meeting**

The meeting closed at 1245 hours

Confirmed this 24th day of October 2013

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**Chairman**

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**Secretary**