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Subject: AmShip - WSC: Low-sulfur fuel rule delay will 'penalize' carriers

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The Trump administration suggested delaying the Jan. 1, 2020, implementation of a global regulation to lower the sulfur content in ship fuel, according to *The Wall Street Journal*.

BY CHRIS GILLIS | FRIDAY, OCTOBER 19, 2018

The Trump administration has suggested delaying the Jan. 1, 2020, implementation of a global regulation to drastically lower sulfur content in ship fuel, according to a news report in Friday's *The Wall Street Journal*.

The article stated that Trump administration officials were alarmed by the projected economic impact of the costs as the global maritime fleet switches to the low-sulfur fuel. *WSJ* reported that the projected global economic cost could reach upwards of \$100 billion, of which about \$10 billion will impact the U.S. economy.

The World Shipping Council, which represents the container carriers, warned that diverting from the Jan. 1, 2020, deadline at this point would be harmful to an industry already in the throes of preparing its vessels and global operations for the deadline.

"Any uncertainty or delay at this point would confuse markets and penalize ship owners and fuel suppliers that are already investing to ensure compliance," said John Butler, president and CEO of the World Shipping Council. "Adding uncertainty to an already expensive regulation would increase, not decrease, the potential for economic harm."

Earlier this month, Organization of Petroleum Exporting Countries (OPEC) warned that the decision by the International Maritime Organization to lower the maximum allowed sulfur content for marine bunkers from 3.5 percent to 0.5 percent (on a weight basis) by Jan. 1, 2020, "will be disruptive to both the shipping and refining sectors."

"Due to a sudden switch in the fuel mix, potential shortages of compliant fuel are possible, especially middle distillates, which could spread to other sectors too. It is hoped that there will be sufficient flexibility in the refining system in order to avoid any extreme events in the years to come," OPEC said.

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