Cruise Panel

AAPA Cruise Seminar

February 2008

Key cruise issues and their relevance to the port industry
Company Profile

• Corporate Office – Los Angeles

• Two Ships
  – Crystal Symphony (940 berths)
  – Crystal Serenity (1,080 berths)

• Worldwide Operations (~ 150 ports/year)
Durbin Wastewater Legislation

• High probability of success if national change in parties in US
• Prohibit all discharges within 12 n/m from cruise ships
• Permits discharge with Advanced Wastewater Treatment Plant (AWP) from 12 n/m to 200 n/m – problem for AWPs
• Permit discharge from Type II Marine Sanitation Device (MSD) from 200 n/m and beyond – conflict with MARPOL
• Applies to Black and Grey water
• All sludge to be discharged ashore – many ports will not accept
• Hazardous waste to be handled and landed as per RCRA
• Applies to new vessels within 2 years and existing vessels within 5 years
California Cold Ironing Regulations

• Final regulation expected out late February

• Issues:
  – No international standard
  – Cycles are different in US vs. Europe
  – Presently location of all equipment (transformers) not specified (shore-side or onboard)
  – Emission levels specified as alternative for NOₓ and PM not attainable with current engine technology
  – What happens when there is a power emergency in the area or urgent need for ship to depart?
Air Emissions and Fuel Sulfur Content

• Current Situation
  - MARPOL Annex VI, 4.5% Sulfur
  - In (SOx Emission Control Areas) SECAs, 1.5% Sulfur
  - 0.5% or MGO required within 24 n/m of California, enroute to CA port - contested, but still in force
  - 1.5% Sulfur voluntarily, in Venice, IT
  - Norway imposed NOx tax for vessels operating within 2 or more ports – cost Crystal $170,000 for one coastal voyage – one month’s notice given!
Air Emissions and Fuel Sulfur Content (cont)

• The Future

  − US has ratified Annex VI, implementing laws expected soon.
  − West Coast SECA from Alaska to Mexico possible.
  − East Coast expected to follow
  − Intertanko → All shipping to distillate by 2011
  − Blmco → lower sulfur to 3% in 2012, 1.5% in 2015
    SECAs to 1.0% in 2011, 0.5% in 2015
  − US → enlarge SECAs, cap to 1.0% in 2010 and 0.5% in 2015
  − Sec. General IMO → Established study group, results expected this week
  − Boxer (US Senator) → 0.1% within 200 n/m of US West Coast by 2011 and limits for other US coast lines to be determined by EPA.
Air Emissions and Fuel Sulfur Content (cont)

• **Issues**
  - Where will all the distillate fuel come from?
  - Shifting from one fuel to another isn’t that easy.
  - Cruise ships are not tankers.

• **Cruise Industries desire**
  - Uniform/predictable requirements worldwide
  - To contribute their part towards reduction of global warming/air pollution.
Customs & Border Protection

• US Cabotage New Interpretive Rule

  – Foreign port is legitimate POC only if

    ➢ stop lasts @ least 48 hours

    ➢ Time spent @ foreign port > 50% of total time spent @ US POCs

    ➢ Guest go ashore @ FPOC
Bits & Pieces

• CBP Issues - US & Elsewhere
  – Cruise ships must send pax. manifests 60 minutes prior to departure
  – Getting clearance for last minute service vendors
  – Proper Crew Handovers
  – Terminals shut down till ship is cleared
  – Inconsistencies in regulations

• Port practices
  – Criteria for accepting reservations
  – Posting # of cruise ships scheduled on net
• Port practices (cont)
  
  – Lack of reception facilities – sludge
  
  – Placement of cruise ships
  
  – Fenders at berths
  
  – Baggage Handling
We’re In This Together