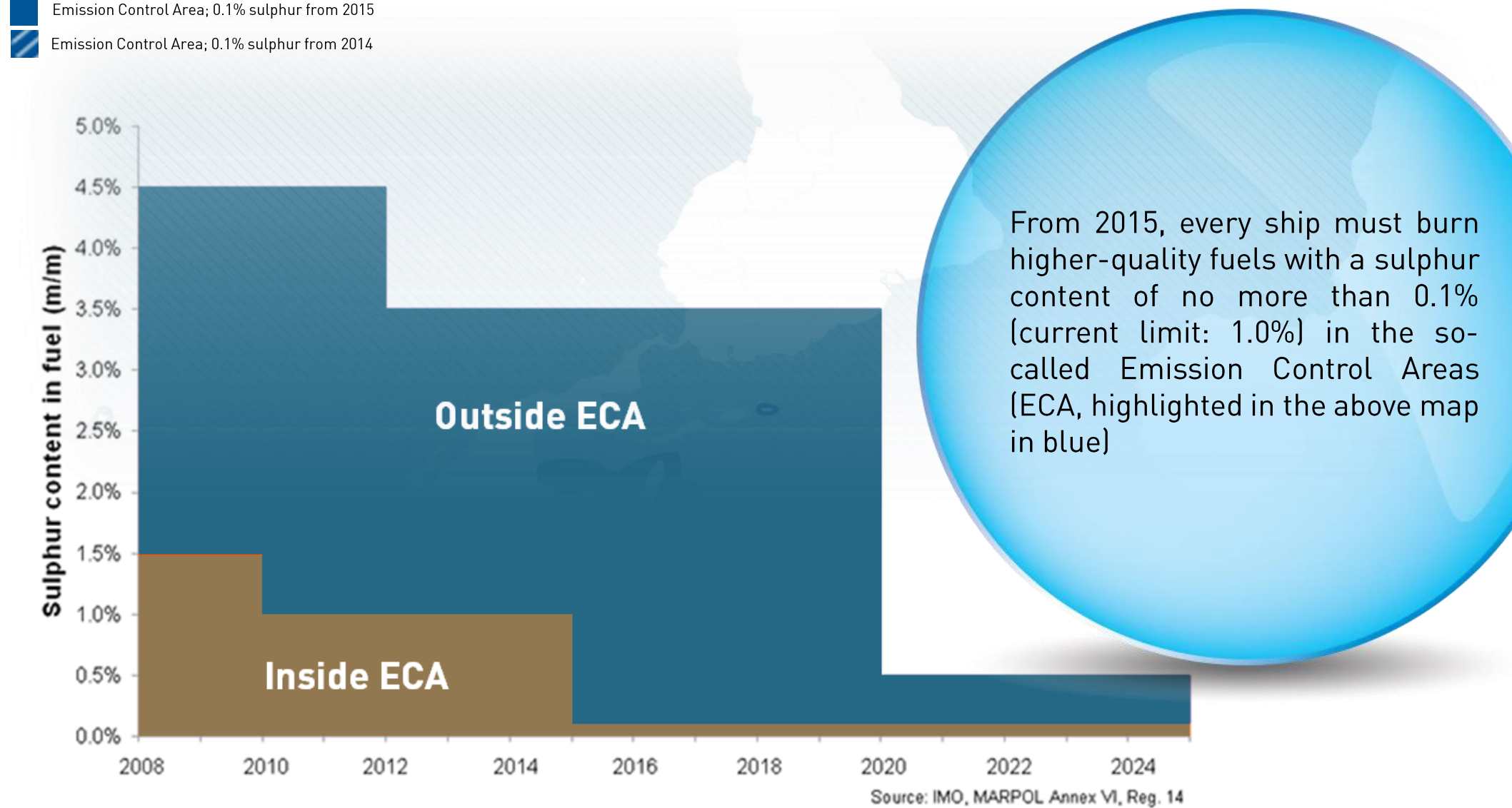




 Emission Control Area; 0.1% sulphur from 2015

 Emission Control Area; 0.1% sulphur from 2014



The above diagram reflects the sulphur limits inside and outside Emission Control Areas (ECA's) and illustrates the progressive reduction of maximum Sulphur (SO_x) content in marine bunkers as regulated by the International Maritime Organization (IMO) in MARPOL Annex VI Reg. 14.



All for a GREENER Environment



Significant reduction
in environmental
footprint



Improved air quality

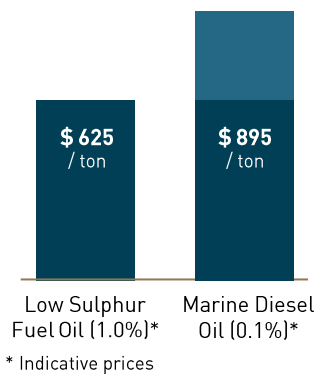


Reduction in toxic
sulphur emissions
and acid rains

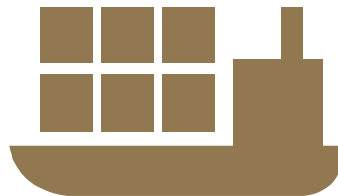


Reduction in global
warming

What it means to UASC?



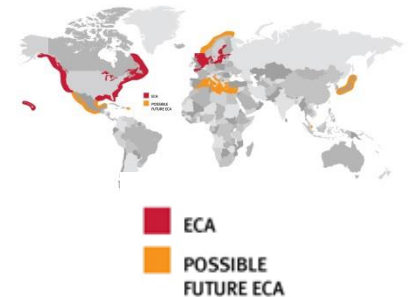
Average cost
differential is about
\$250-\$300/ ton



Cost for feeders
operating in ECA's
will go up



High additional costs
for UASC



More ECA regulations
may be on the way

What it means to YOU?

Imports and Exports to and from



North Europe Base Ports

Ports in Northern France, Germany, Netherlands, Belgium, United Kingdom (except Northern Ireland)



Baltic, Scandinavia, Ireland

Ports in Denmark, Sweden, Norway, Finland, Poland, Lithuania, Latvia, Estonia, Western Russia, Ireland and Northern Ireland



North America East & West Coast including Gulf of Mexico

2015

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

January

01

Low Sulphur Surcharge - USD/TEU

\$ 25

\$ 80

\$ 25

Usage of low sulphur fuel oil in ECAs comes with a cost that can not be solely borne by UASC. Therefore, UASC has decided to implement a LSS for cargo transported in ECAs for customers benefitting from the shipping services in ECAs. LSS will be effective from 1st January, 2015.

Frequently asked questions (FAQ's)

Q. What are sulphur regulations?

- A. Sulphur Emission Control Areas (SECAs) or Emission Control Areas (ECAs) are sea areas in which stricter controls were established to minimize airborne emissions (SO_x, NO_x, ODS, VOC) from ships as defined by MARPOL (marine pollution) Protocol which came into effect in May 2005. It contains provisions for two sets of emission and fuel quality requirements regarding SO_x and PM, or NO_x, a global requirement and more stringent controls in special Emission Control Areas (ECA).

Q. What are they for?

- A. These regulations stemmed from concerns about the contribution of the shipping industry to "local and global air pollution and environmental problems". The new sulphur provisions are expected to deliver significant pollutant emission reductions from the shipping sector.

Q. Why is the fuel used in Emission Control Areas more expensive?

- A. The fuel used today is heavy fuel oil, which typically has sulphur content between 1.0% to 3.5%. To comply with ECA regulations, the carriers have to use Marine gas oil, which is more refined product with 0.1% sulphur making it more expensive.

Q. Why will UASC implement a Low Sulphur Surcharge (LSS)?

- A. The cost of switching to low sulphur fuels is very high. Therefore, UASC has decided to implement a LSS for cargo transported in ECAs for customers benefitting from the shipping services in ECAs.

Q. Which customers are affected?

- A. Customers whose cargo is transported on trades with origins and destinations in ECAs, will be impacted by LSS.

Q. How will LSS be charged to the customers?

- A. LSS will be a separate surcharge charged on the customer's invoice.

Q. Why will some customers have a higher LSS?

- A. Depending on the trade and the time spent in ECAs, the LSS could be higher or lower.

Q. What are the technical solutions to comply with these regulations?

- A. To deal with IMO sulphur regulation, i.e. 0.1% sulphur fuels in ECAs as from January 1st, 2015, there are today 3 potential solutions for ship-owners:
1. Burn marine diesel,
 2. Install scrubbing systems,
 3. Switch to liquefied natural gas – LNG.

Q. What are the main advantages of the lower sulphur limits?

- A. Sulphur emissions are toxic and cause respiratory implications as well as acid rain. The regulations would help reduce the harmful effects of emissions on human health and the marine environment.

Key abbreviations

- **IMO:** International Maritime Organization
- **MARPOL:** International Convention for the Prevention of Pollution from Ships
- **IFO:** Intermediated Fuel Oil (IFO 180 / IFO 380) - today's used bunker oil
- **LSF:** Low Sulphur Fuel – heavy fuel oil with a sulphur content lower than 1%
- **MDO:** Marine Diesel Oil
- **ECA:** Emission Control Areas
- **LSS:** Low Sulphur Surcharge