

The Superyacht Tenders Report





Innovation before legislation

Lorenzo Pollicardo explores why the superyacht market should push beyond legislation to find genuine inspiration.

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BEGAN CAREER AS A
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JOINED THE YACHTING INDUSTRY
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FORMATION OF SYBASS AT THE
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Environmental concerns have been even more under the spotlight in recent months, with governing bodies looking with a critical eye on polluting industries – and this includes maritime. Superyachts are not exempt from this conversation, and with the new Tier III regulation coming into force in 2021, the industry is at a crossroads. But to better understand our industry's position, let's first recap how we got here.

The International Maritime Organization's (IMO) original mandate was principally concerned with maritime safety. However, since 1954 with the signing of the International Convention for the Prevention of Pollution of the Sea by Oil, the IMO has assumed responsibility for pollution issues and adopted a number of measures to prevent and control pollution caused by ships. Of the 51 treaty instruments adopted so far, 21 are environment-related.

The Marine Environment Protection Committee (MEPC) is responsible for directing the majority of these instruments. Its original focus was the prevention of marine pollution by oil, resulting in the adoption of the International Convention for the Prevention of Pollution from Ships (MARPOL) in 1973. The original MARPOL Convention has been amended over the past few decades to include requirements addressing pollution from chemicals, garbage and sewage, as well as pollution and emissions from ships. At the MEPC meeting in May, the maritime community discussed how to implement the IMO strategy, adopted one year earlier, to reduce greenhouse gas emissions from ships. The initial strategy envisages a reduction in carbon intensity of international shipping (reducing CO2 emissions by at least 40 per cent by 2030, pursuing efforts towards 70 per cent by 2050, compared with 2008), and the total annual greenhouse gas emissions from international shipping should be reduced by at least 50 per cent by 2050, again compared with 2008.

The IMO's commitment to reducing greenhouse gas emissions was reconfirmed at the May meeting, with

delegates approving the scope of the strategy and initiating the fourth IMO greenhouse gas study. It's clear the IMO wants the entire maritime industry to contribute to global efforts to reduce greenhouse gas emissions – including yachting.

It's also not surprising that the Tier III MARPOL Annex VI nitrogen oxide (NOx) regulation was discussed. The first elements of Tier III came into force in 2016, stipulating that all engine installations with a power output of more than 130kW, whether a propulsion or auxiliary engine, that are to be used within Emission Control Areas (ECAs) for NOx (the only current examples being assigned to the North American East Coast and West Coast, Hawaii and the US Caribbean) must be fitted with systems that ensure vessels produce 74 per cent less NOx pollution than allowed under Tier II.

Crucially, in April 2014, the IMO agreed to a five-year delay in the application date of Tier III limits for large yachts designed and used solely for recreational purposes, over 24m in length and under 500gt. This delay was to give affected industries time to comply with the new emissions standards and it put back the effective implementation date from 2016 to 2021.

Fast-forward five years since that was granted and a myopic attempt to further delay the implementation for this category of yachts was made during the MEPC meeting. Unsurprisingly, the majority of delegates objected, reasoning that the sector had already been given a five-year exemption to develop the technology necessary to comply with Tier III requirements and that the technology was already being used in other sectors such as road and off-road. Additionally, any further delay would have an adverse impact on the health of coastal populations. Some delegates also asked why superyachts should be exempt.

The Superyacht Builders Association (SYBASS) firmly believes such exemptions do nothing for our industry's credibility among politicians, NGOs

and the public. The position of SYBASS is to support technical solutions that are feasible and affordable to ensure the safe and environmentally friendly operation of superyachts according to international standards. Therefore, the effective implementation date of Tier III emission requirements for yachts over 24m in length and under 500gt remains 1 January, 2021.

So what can we learn from this? As an industry, we must work proactively on solutions, staying ahead of regulations rather than trying to delay – or even worse escape – them. Make no mistake, Tier III is just around the corner and Tier IV and Tier V are on the horizon and this puts the superyacht industry at a crossroads: we can choose to either innovate or delay the inevitable. Given the global shift towards environmentalism, the choice is clear.

The main technical issues with Tier III are related to design and dimensional challenges. The required next step for engine and SCR (selective catalytic reduction) manufacturers should not be about exemptions but rather technical development and research. These manufacturers should be investing in research for lighter, smaller devices, especially for lower-powered engines. After all, we have just 18 months to comply.

But there is no need to go about this alone. SYBASS is calling for a proactive approach and stronger collaboration between shipyards and SCR and engine manufacturers to develop the technological solutions required. In line with this ethos, the newly established Water Revolution Foundation exists to enhance cooperation between stakeholders who want to get behind such innovations and increase the sustainability of our industry. For many years, legislation has been the driving force for innovation in the maritime industry. The large-yacht industry now has the opportunity to improve its reputation. This is our chance to demonstrate we have the capability to develop new, forward-thinking technology and stay ahead of what is required. LP