

# Harbour Dues: Environmentally Differentiated Pricing Strategy

A Presentation to Faster Freight Cleaner Air

May 16, 2007

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Vancouver Port Authority



## Overview

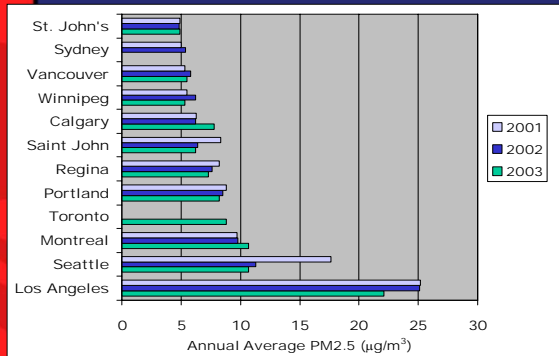
- Background
- Program
- Process
- Next Steps



## Background



- Air quality in the Greater Vancouver Regional District is generally good
- Climate change is an issue of increasing concern



- VPA recognizes that local and regional health, environmental and economic impacts are occurring even with current air quality conditions
- VPA is committed to reducing port-related emissions that contribute to air quality and climate change

BC Progress Board 2005

## Background



- Recent BC COS inventory showed ocean going vessel emissions are considerably less than previously thought but still important source of NO<sub>x</sub>, SO<sub>x</sub> and PM in the Lower Fraser Valley



- Potential to increase with growth in international trade
- Challenges - due to international nature and regulation
- Differential pricing is one strategy to encourage and recognize marine vessel emission reductions

## Background



- Harbour Dues cover costs related to:

- General Security
- Harbour Safety
- Harbour Cleanliness
- Common user infrastructure maintenance



## Differential Pricing Models



- Government based systems
- Higher fees so proportionate rebate improves incentive
- Ferries and other frequent callers
- Focus on low sulphur fuel, NOx or speed reductions



## VPA Program





- In-house administration
- Four levels of harbour dues for 2007 (CDN\$ per gross registered tonne or GRT):
  - Basic rate...\$0.097
  - Bronze...\$0.077
  - Silver...\$0.067
  - Gold...\$0.057
- Harbour dues in 2006...\$0.077 per GRT

## Bronze



- Ship classification
  - Lloyd's Register Environmental Protection (EP) Classification (or equivalent from another ship classification society)
- Fuel quality "S" % sulphur content
  - $S \leq 2.0\%$
  - Auxiliary engines
  - At anchor and dock
- Vapour control or recovery system

	 
	<ul style="list-style-type: none"> <li>● Ship classification           <ul style="list-style-type: none"> <li>● Lloyd's Register EP + any one of S, N or V supplemental notations (or equivalent from another ship classification society)</li> </ul> </li>   <li>● Fuel quality "S" % sulphur content           <ul style="list-style-type: none"> <li>● <math>S \leq 1.0\%</math></li> <li>● Auxiliary engines</li> <li>● At anchor and dock</li> </ul> </li> </ul>

	 	
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# Process



- Shipping agent registration online
- Daily download for boat crews
- Boat crew on-board verification
- Boat crew data entry
- Invoicing based on verification
- Dispute resolution



# Process



Harbour Dues - Microsoft Internet Explorer

Address: http://www.pacificgatewayport.com/gpportal/approc/3926/ActionForm/MyApplications.aspx

Pacific Gateway Portal

Chamber of Shipping

10 May 2007 - 21:21 PDF Home Search About PGP Contact Help Disclaimer Copyright

You are logged in as cvr11

### Application Status

[All Application Status Reason](#) | [View Application for Other Vessel\(s\)](#) | [Fax Detail Document](#) | [Assault](#) | [Exit](#) | [Sign Out](#)

- Incomplete: an Application that is not complete and will not be processed unless completed.
- Processing: an Application that is ready to be processed.
- Cancelled: an Application that was cancelled prior to being processed.
- Verified: an Application that was verified by the VPA as at the air emission standard applied for.
- Denied: an Application that was deemed unable to be verified by the VPA for the air emission standard applied for.
- Appeal: an Application that is currently under appeal.

Existing Applications: Legend ✓: File attached. ✗: Attachment required but no file attached.

Drag a column header and drop it here to group by that column

Reference Number (IMO Application No.)	Create Application(s)	Estimated Date of Arrival	Air Emission Standard	Status	File Attached	Activity
ATST12-3918014	Repeat Data	2007-Apr-10	Change SILVER	Change APPEAL	✗	Upload Cancel Repeat
ATST15-391812	Repeat Data	2007-Apr-11	Change BRONZE	Change CANCELLED	✓	Upload Cancel Repeat
ATST15-3921737	Repeat Data	2007-Apr-11	Change SILVER	Change APPEAL	✗	Upload Cancel Repeat
TEST14-391891	Repeat Data	2007-Apr-30	Change GOLD	Change APPROVED	✓	Upload Cancel Repeat
TEST14-3921527	Repeat Data	2007-May-15	Change GOLD	Change PROCESSING	✓	Upload Cancel Repeat
TEST14-3924254	Repeat Data	2007-Jun-11	Change GOLD	Change PROCESSING	✓	Upload Cancel Repeat

## Next Steps...



- Unique program
- Consultation with industry
- Review and improve over time
- Provide leadership for other agencies with port-related dues
  - Potential to increase incentive

Thank you.

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