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The Chairman
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AMENDMENT TO TNPA TARIFF BOOK - DISPENSATION ON PORT DUES.

MARPOL Annex VI is the progressive reduction globally in emissions of SO_x, NO_x and particulate matter and the introduction of emission control areas (ECAs) to reduce emissions of those air pollutants further in designated sea areas. Under the revised MARPOL Annex VI, which South Africa is signatory to, the global Sulphur cap for marine fuels (bunkers) will be reduced from current 3.50% to 0.50%, effective from 1 January 2020.

The concept of sea going barges providing bunker delivery services in South African ports is expected to increase with the implementation of Annexure VI (MARPOL) in 1 January 2020. This is due to several factors including the managing of High Sulphur Fuel Oil (HSFO) / Low Sulphur Fuel Oil (LSFO) barging and storage options. This sea going barges today provides essential services to ports in South Africa and similarly around the world.

The introduction of these sea going barges is business unusual and the operations performed by this sea going barges are efficient and currently does not impact on the already limited berthing capacity within ports due to infrastructural constraints.

Typically, these barges do not enjoy accommodation due to limited berthing space in port and therefore stationed at anchorage; come in and out of port as and when there are deliveries to be made and, in accordance with Transnet Port Authority (TNPA) tariff book, is charged at port normal calling dues for each and every port entry.

The normal port calling dues for each and every port entry, for the delivery of bunkers impacts on the sustainability of this efficient and essential service to the port as it translates into an expensive exercise and will impact on the service the port enjoys today and future operational requirements. The negative impact to this type of operation without any dispensation on port dues will exacerbate given the increased demand and particularly from 2020 onwards.

Directors: T Orleyn (Chairman)
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Reg.No.1924/002602/07
Vat Reg No. 4430105454

In line with the mandate of Transnet Port Authority to assist in lowering the cost of doing business in South Africa and to address the fact that this is no longer business as usual this impediment can be addressed like in Section 4, Point 1.1 Port Dues of the Transnet Port Authority tariff book, where "A reduction of 50% will be allowed to vessels calling for the sole purpose of taking on bunkers and/or stores and/or water or a combination of all three, provided the vessel's entire stay does not exceed 48 hours."

The above section is very similar to the sea going barge as it calls to port solely though for *the providing of bunkers* rather than *taking on bunkers* and does not exceed the 48 hours stay.

For this reason, it is fair to say that the reduction in port dues enjoyed by the vessel taking on bunkers and not exceeding 48 hours of stay should be extended to sea going barges which is not accommodated in port and stationed at anchorage who calls to port solely to *deliver bunkers* and do not exceed the 48 hours stay.

BP therefore propose the amendment of the referred to paragraph in the Transnet Port Authority tariff book to read as follows:

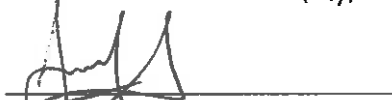
"A reduction of 50% will be allowed to vessels calling for the sole purpose of taking on and/or providing of bunkers and/or stores and/or water or a combination of all three, provided the vessel's entire stay does not exceed 48 hours."

BP anticipates a positive response in this regard and should you require any further clarity, the undersigned could be contacted.

Kindly acknowledge receipt of this.

Yours faithfully

For: BP Southern Africa (Pty) Limited



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