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**From:** Walker, Ryan [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=██████████]  
**Sent:** 19/03/2019 16:03:29  
**To:** Cochrane, Phil [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Raburn, Janice [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Corr Hanserd, Valerie L [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Miller, Thomas E (FVC) [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Bunch, Mark J [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Johnson, Vincent (BP) [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Lopez, Teresa L [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Constantin, Dawn M [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Clanton, Brett [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Ryan, Jason [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Abendhoff, Michael R [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Phillippe, John [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Figueroa, Naty [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Fisher, Stephen L [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Lucas, Sarah [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Thomas, Larry [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Beckwith, Paul [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Arora, Neil [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Emanuele, Julia [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Breslaw, Jason [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Pitkethly, Eirik [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Ragland, Kelley [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=██████████; Starbird, Zackary  
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**Subject:** Weekly CAES Update (IMO)

Attachments: EERA IMO2020 White Paper 20190314.pdf

Colleagues:

Not sure what was going on with Skype, but I should be able to cover everything in my written update this week!

Below is the weekly media report. Additionally, with the help of our comms colleagues (Jason Ryan, Brett Clanton, and Mike Abendhoff) Steve Fisher, Naty Figueroa, and myself will speak with Bloomberg "on background" for a story they are writing on IMO.

On the academic study front, I have attached the latest draft of Dr. Jim Corbett's IMO 2020 white paper. Jim incorporated the last round of edits the Steering Committee provided—thus the latest draft is an improvement over his initial foray. However, it still needs work. (i.e. quality of the writing on the paper's more technical details). CAES has pointed out that the discussion of diesel price ratios is a little dense and hopefully can be more clearly explained. Please review and provide any comments to me by 10am ET tomorrow. The goal is to complete the paper next week.

## Redacted - First Amendment

Please let me know if you have any questions or would like additional context on anything.

Sincerely,

Ryan

### ACTIVITY TRACKER:

DELIVERABLE	ACTION	BP TAG	DU <sup>E</sup> DATE
Third-Party Studies	Review Corbett Study for Comment/Edit	Janice Raburn	Mar. 20 @ 10am
Media	1.) Determine if BP wants to talk to reporters 2.) On or off record	Jason Ryan	COMPLETED

## Redacted - First Amendment

Include TPs in Weiss Brief	Send TPs to Downey Magallanes	Ryan Walker	Apr. 1
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## WEEKLY PRESS REPORT: March 11 – 18

### **THE FINANCIAL TIMES: Shipping is the new frontier in the climate change fight**

This week, a website for something calling itself the Coalition for American Energy Security suddenly materialised in cyber space — complete with a hyperactive twitter account dispatching messages about regulation and pollution... For the key point about marine fuel is that American energy groups stand to dominate the low-sulphur business. Moreover, US shipping groups are way ahead of strategic rivals in terms of meeting the new standards. "IMO 2020 represents a significant competitive advantage for the American energy sector," says Ken Spain, the coalition spokesman. "Industry has invested \$100bn over the past 10 years while foreign producers like Russia and Iran haven't made the necessary infrastructure investments and don't produce low-sulphur crude." ... [READ MORE](#)

### **AXIOS: The age of American oil**

Global dynamics also are strongly in the U.S.'s favor... Second, the UN's International Maritime Organization next year will bar ships from carrying fuel that contains sulfur content higher than 0.5% and cap their sulfur emissions, benefiting light, sweet crude. Maritime shipping accounts for about 4%-5% of the oil market's 100-million-barrel-per-day total... [READ MORE](#)

### **FORBES: ExxonMobil eyes marine fuels expansion as IMO 2020 deadline looms**

But according to Luca Volta, Marine Fuels Venture Manager at ExxonMobil, the oil major views the impending low-sulfur marine fuels climate as an emerging opportunity and not an operational problem. "We will be ready with the products and point of sales by the third quarter of 2019. That's when we expect marine customers will start to bunker as the deadline of January 1, 2020 approaches," Volta told Forbes... [READ MORE](#)

### **THE HOUSTON CHRONICLE: Marathon CEO: Venezuelan oil sanctions not a big hit for U.S. refiners**

IMO 2020: The refining chief also struck a confident tone on how his company and U.S. refining industry are prepared for 2020 when the International Maritime Organization will require shippers to use low sulfur fuels instead of heavy bunker fuels. The rule change is expected to increase demand for diesel and low-sulfur products -- a boon for refiners like Marathon Petroleum who have huge capacity to process heavy crude into low sulfur fuels... [READ MORE](#)

### **SEATRADE MARITIME NEWS: IMO 2020 – ExxonMobil confirms 0.5% fuel supplies by Q3 2019**

We will be ready with the products and point of sales by the third quarter of 2019. That's when we expect marine customers will start to bunker as the deadline of 1 January 2020 approaches," Luca Volta, marine fuels venture manager at ExxonMobil, was quoted saying. Volta added that ExxonMobil sees the impending low sulphur environment as an emerging opportunity and not an operational problem. ExxonMobil has been preparing for the low sulphur business landscape since 2015. "Logically we can deploy an effective supply chain where ports are in proximity of our manufacturing assets. This is where we are focusing our first wave of IMO 2020 compliant fuels," Volta said... [READ MORE](#)

### **HELLENIC SHIPPING NEWS: US refiners worry about White House wild card as IMO 2020 nears**

Within weeks of the story, trade groups for refiners, oil and gas producers, LNG exporters and steelworkers created the Coalition for American Energy Security to educate White House officials and members of Congress about IMO 2020 and what US industries were already doing to prepare. "As we draw closer to implementation of IMO 2020, it's essential that the president and his administration are fully aware of the job impacts and energy security benefits of implementing the standards on time," said Ken Spain, spokesman for the Coalition for American Energy Security. "The American energy industry is ready to dominate the global market for these new fuels, and timely implementation is critical to achieving that objective." ... [READ MORE](#)

### **IEA: Overt focus on U.S. shale decline rates misguided as output rise will continue**

Earlier at a CERAWeek briefing, the IEA Executive Director said lighter, sweeter low sulfur U.S. shale crude fits new oil demand landscape as the International Maritime Organization's IMO 2020 ruling approaches. The IMO, a United Nations' body responsible for the safety and environmental performance of the shipping sector, has ruled that from January 1, 2020, marine sector emissions in international waters be slashed to reduce the sulfur emissions by over 80%, which can be achieved by switching to lower sulfur fuels... [READ MORE](#)

**BLOOMBERG: Oil refiners reveal hints about their boom expectations**

The rush to refine during what's normally a fallow period for the industry is a response to the introduction in January in 2020 of rules to cut sulfur emissions from the shipping industry. The switch is forecast to send prices soaring for fuels that allow owners to comply with the regulations, according to the International Energy Agency. The measures are widely expected to create a profit surge for some refiners... [READ MORE](#)

**SEA WANDERER: Ocean carriers prepare for IMO low sulfur rules**

How Industry Is Preparing? Shipping and oil-refining industries have been working to accommodate the standards since 2016, when they were first set. Yet the low-sulfur rules require the marine shipping industry to invest heavily in conversions. The cost of complying with the new rules was estimated at \$60 billion in 2017. There are many concerned parties. For example: Cleaner fuel producers (e.g. oil, distillate, and diesel) will see increased demand, which will prompt a jump in prices in the winter months of an American presidential election year. Airlines are concerned that jet fuel supplies will fall as refineries work to meet shipping industry demand... [READ MORE](#)

**FREIGHTWAVES IMO 2020: Compliance a Key; EIA gives some hard numbers on distillate impact**

As has been mentioned previously, one of the biggest unknowns in the forecasts is how many ship owners will simply ignore the rule, at least for now, and continue to burn cheaper high-sulfur fuel oil and violate the IMO 2020 rule that marine fuels can be no more than 0.5 percent sulfur, down from the current level of 3.5 percent. The International Energy Agency (IEA) earlier this week estimated non-compliance at about 700,000 barrels per day (b/d). That number matches that of the consulting firm of Baker & O'Brien, whose estimates FreightWaves wrote about recently. But Savvas Manousos, Maersk's Global Head of Trading and Investments, said during the panel that he expects compliance with the rule to be in the 85 to 90 percent range... [READ MORE](#)

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