

# Pangaea Logistics 'not at all a fan' of exhaust gas scrubbers

Shipping is 'getting dragged kicking and screaming' into complying with environmental regulations, chief executive Ed Coll says

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by Michael Juliano

Pangaea Logistics Solutions has given a clear thumbs down to using exhaust gas scrubbers as a way to meet IMO 2020, having voiced a "wait-and-see" approach in the past.

Chief executive Ed Coll gave several reasons why spending big money on these kits, which cost about \$2m each, without fully knowing the risks is a bad idea.



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"As a business, the idea of investing huge amounts of capital into scrubbers, we see it as a very risky idea and difficult to quantify," he said Friday during a third-quarter earnings call.

"There are too many factors that you have no control over and we think it's a poor use of capital."

Some shipowners have chosen scrubbers to leverage an expected price spread between high-sulphur and low-sulphur fuel oils. Many have formed scrubber advocacy group Clean Shipping Alliance 2020.

Coll last year said his New York-listed company, a bulker operator with a mix of owned and chartered tonnage, would "wait and see" on installing them on its fleet.

## 'Kicking and screaming'

In his latest comments, however, Coll argued that shipping companies should use compliant fuel because they cannot forever sidestep environmental regulations set by the IMO.

"In the big picture, the shipping industry is getting dragged kicking and screaming into trying to be environmentally correct," he said.

"That's not going to change. It's going to happen."



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And the vast majority of bulkers are going to burn compliant fuel come next year, so the market rates will adjust to the higher bunker costs anyway, he said.

Also, open-loop scrubbers may harm the marine environment by churning sulphuric acid and then dumping it into the ocean, he said.

"It's really a question of how long that can last," he said.

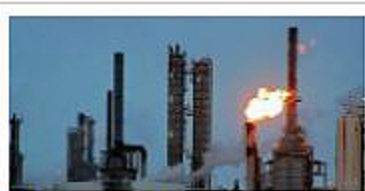
"We are not at all a fan of that."

Marine biologists have concluded that they need to conduct more scientific studies before saying for certain that scrubbers have no harmful impact on marine life.

## 'Doing the right thing'

Most importantly, burning compliant fuel is what is best for the environment, Coll said.

"It's that simple," he said.



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"As a company that cares about the environment, we are first of all going to care about doing the right thing."

US-based Pangaea's chartering and operations departments will need to adjust the books to run 65 owned and chartered ships on compliant fuel, but it is worth it, Coll said.

"We trade in pristine areas so it makes our decision easier," he said.

"We're up in the Arctic. We're up in places that are very sensitive environmentally and we simply would not jeopardise environmentally the things that we are doing that are very important for us."