

November 9, 2006

Paul Milkey
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Dear Mr. Milkey,

Thank you for the opportunity to provide comments on the Alternative Compliance Plan (ACP) included as part of the auxiliary engine Air Toxic Control Measure (ATCM) developed by the California Air Resources Board (ARB).

Background

On November 18, 2005 the Santa Barbara County Air Pollution Control District (SBCAPCD) submitted a letter of support on the Auxiliary Engine ATCM to the ARB Board. This letter supported the adoption of the ATCM requiring ocean-going vessels within 24 miles of the California coast to operate their auxiliary engines on cleaner fuels with a 0.5% Sulfur content by 2007 and a 0.1% Sulfur content by 2010. As you know, on December 8, 2005 the ARB Board approved the ATCM (Title 13, CCR, section 2299.1) and it is set to go into effect on January 1, 2007.

The SBCAPCD supported the regulation to obtain significant emission reductions along the California coast from sources that have historically been difficult to regulate, and emit large amounts of pollutants. Even without a major port in Santa Barbara, the ARB estimated that auxiliary diesel engines on ocean-going vessels passing through Santa Barbara waters in 2004 emitted 1,080 tons of NO_x, 98 tons of PM and 715 tons of SO_x, as shown in Table 1.

**Table 1- Santa Barbara Emissions From Ocean-Going Vessel
Aux. Engines & Impact from Proposed regulation**

| Emissions Reductions (%) | | | | | | |
|--------------------------|-----------|---|------------------------------------|-----------------------|------------|-----|
| 2004 Emissions * | | HFO to MGO @ 0.5% S 1/1/07 - 12/31/09 | HFO to MGO @ 0.1% S 1/1/10 + | Emission Reductions | | |
| | | | | 1/1/2007 - 12/31/2009 | 1/1/2010 + | |
| NO_x | 1,080 TPY | 6% | 6% | 65 TPY | 65 | TPY |
| PM | 98 TPY | 75% | 83% | 74 TPY | 81 | TPY |
| SO_x | 715 TPY | 80% | 96% | 572 TPY | 686 | TPY |

* From table IV-2 from ARB's Initial Statement of Reasons for Proposed Rulemaking

The proposed regulation's cleaner fuel requirements would reduce 65 TPY of NO_x, 74 TPY of PM and 572 TPY of SO_x during the first phase of the regulation (1/1/07-12/31/09). The second phase of the regulation (1/1/2010 +) would reduce an additional 7 TPY of PM, and 114 TPY of SO_x emissions. The calculations shown in Table 1 are likely underestimated as they assume that the ship traffic observed in

2004 would remain constant into the future and do not take into account the expected increase in ship traffic or ship size.

Alternative Compliance Plan (ACP)

The ocean-going ship ATCM includes an ACP that is meant to provide the impacted industry with options for complying with the ATCM. The process for a ship owner utilizing the ACP option has been well developed and appears to incorporate public comments, and a good deal of transparency. Also, the ACP has a built-in monitoring and control feature as it requires those who choose to utilize the ACP option to reapply each calendar year.

The problem that we have with the ACP is that it allows cold-ironing and in-port reduction measures as an alternative to complying with a regulation that would reduce emissions all along the California coast. While, the impacts of air pollutants in the port areas have been well documented, the ATCM was not created solely for the port areas. By allowing cold-ironing and other in-port measures as ACP options the original projected emission reductions in coastal communities like Santa Barbara (as seen in Table 1 above) will not be realized.

In addition, the recently released San Pedro Bay Ports Clear Air Action Plan¹ places a heavy influence on cold-ironing development at the Southern California Ports. As a result of this plan there may be a large number of shipowners applying for the cold-ironing ACP option and therefore will be allowed to return to operating their auxiliary engines at the expense of the air quality in coastal California communities.

The adoption of this ATCM was an important step in reducing emissions from ocean-going vessels, but the allowance of in-port measures to comply with the regulation as part of the ACP reduces the regional benefits from this state-wide, coastal regulation. One possible solution would be to use the fees collected for non-compliance with the regulation to fund in-use vessel control measures that result in real emission reductions along the California coast. This solution would retain the flexibility of shipowner compliance and would, depending on the amount of fines collected for non-compliance, allow for coastal California air quality benefits. I would be happy to discuss this or other possible solutions with you. If you have any questions regarding these comments, please contact Anthony Fournier at (805) 961-8874.

Sincerely,

Terry Dressler, APCO
Santa Barbara County APCD

cc: Catherine Witherspoon, ARB
Larry Allen, SLOAPCD
Mike Villegas, VCAPCD
Barry Wallerstein, SCAQMD

¹ The "SAN PEDRO BAY PORTS CLEAN AIR ACTION PLAN" was developed by the Ports of Los Angeles and Long Beach along with the participation and cooperation of the ARB, U.S. EPA and South Coast AQMD. The final version of the document was released in November 2006 and can be found at:
http://www.portoflosangeles.org/DOC/CAAP_Tech_Report_Final.pdf