

Bayview Hunters Point Community Advocates – Bayview Hunters Point Health and Environmental Assessment Task Force – Coalition for Clean Air – Coalition for a Safe Environment – Communities for Clean Ports – Environmental Health Coalition – Friends of the Earth – Natural Resources Defense Council – Union of Concerned Scientists – West Oakland Environmental Indicators Project

July 21, 2008

Chairwoman Mary Nichols and Board Members
California Air Resources Board
Headquarters Building
1001 I Street
Sacramento, CA 95814

Re: Strong Support for the Ocean-Going Vessel Fuel Regulation

Dear Chairwoman Nichols and Members of the Board:

We write on behalf of Bayview Hunters Point Community Advocates, Bayview Hunters Point Health and Environmental Assessment Task Force, Coalition for Clean Air, Coalition for a Safe Environment, Communities for Clean Ports, Environmental Health Coalition, Friends of the Earth, Natural Resources Defense Council, Union of Concerned Scientists, and West Oakland Environmental Indicators Project in strong support of the proposed regulation to reduce emissions from main and auxiliary engines and auxiliary boilers on ocean-going vessels (OGVs).¹ We commend the Air Resources Board (ARB) for moving forward on this critical step toward implementing ARB's Diesel Risk Reduction and Goods Movement Emission Reduction Plan goals and toward attaining state and federal air quality goals. Implementation of this regulation will go a long way in achieving significant emission reductions from ocean-going vessels in regulated California waters.² We believe that the regulation should be adopted and finalized immediately, so as to provide maximum health benefits to California residents, especially those living in impacted communities near ports.

Health Impacts from OGV emissions

Presently, the health effects from OGV emissions are striking. Direct particulate matter (PM) emissions from OGVs contribute significantly to localized cancer risks and non-cancer health effects, including premature death. In West Oakland, about 12 percent of the estimated potential cancer risk is attributed to OGV emissions. (ES-7). On a statewide basis, approximately 2.4 million people are affected by potential cancer risk levels greater than 200 in a million solely from these emissions. (ES-7). In California direct PM emissions from OGVs result in 300 premature deaths; 7,700 cases involving respiratory problems; 50,000 work loss days; and 300,000 minor restricted days. (ES-8). Moreover, OGV emissions are projected to increase dramatically due to the expansion of international trade coupled with ineffectual national and

¹ ARB, Initial Statement of Reasons for Proposed Rulemaking, Fuel Sulfur and Other Operational Requirements for Ocean-Going Vessels within California Waters and 24 Nautical Miles of the California Baseline, June 2008.

² California regulated waters extend to 24 nautical miles from the California baseline.

international ship emissions regulations. ARB staff expect that over 400 OGV-related deaths will occur by 2015 – and acknowledge that the number does not take into account premature mortalities from indirectly formed PM, thus pushing total mortalities even higher. (ES-9) International regulations comparable to ARB’s proposal would – even assuming the completion of a number of pre-requisites – take place, at the earliest, three full years later. California, however, can ill-afford to wait for others to act as its residents are subjected to increasing premature mortality, respiratory illnesses such as asthma, and cancer risks from OGV emissions.

Urgent Need for Regulation

Given the tremendous health impacts outlined above from OGV emissions, ARB must act expeditiously to reduce this pollution and protect public health in port-side and coastal communities throughout the state. We are disappointed by the two-year delay for Phase 2 cleaner fuels relative to previous timelines, such as the 2010 deadline in the original auxiliary engine fuel rule for OGVs. However, although we would like to see this cleaner, 0.1 percent sulfur marine fuel phased into use immediately, we strongly support this regulation, as proposed by staff.

Regulation’s Beneficial Health Effects

As compared to normal “bunker” fuel use, implementation of the regulation in 2009 will immediately result in reductions of 74 percent and 81 percent in diesel PM and sulfur oxides, respectively, with additional reductions of 9 percent in 2012 for both compounds. The dramatic scaling back of OGV air emissions will also improve regional ambient air quality levels with respect to PM and ozone, assisting in the achievement of federal and state air quality objectives. In addition, the regulation will improve public health due to reduced incidences of cancer, PM-related cardiovascular effects, asthma, and hospital admissions. Further, ARB staff estimate that the regulation’s implementation “will avoid about 2,000 premature deaths between 2009 and 2015...” (ES-18). Adopting this regulation will ensure that Californians receive the public health protections from OGV emissions that they deserve.

Regulation is Technically Feasible

ARB has found that technical issues concerning Phase 1 fuel requirements are manageable if due attention is given to fuel specification, engine and fuel system maintenance, and crew training. Voluntary efforts such as those by the shipping company Maersk have also evidenced the feasibility of using low-sulfur fuels in main and auxiliary engines. Moreover, the 14 months of experience gained through the implementation of ARB’s auxiliary engine rule attest to the fact that low-sulfur fuel use is practicable. With respect to Phase 2 fuel requirements, the 2012 timeline allows for more than adequate time in which technical issues can be identified and resolved.

Regulation is Reasonable and Cost-Effective

This regulation is sensible, not unduly burdensome, and cost effective. ARB staff have, in light of a recent Court of Appeals decision, re-crafted the regulation so as to constitute a clearer in-use fuel requirement that does not implicate federal preemption. They have also gone to great

lengths to ensure a measured regulatory approach, characterized by an incremental, two-step phase-in of fuel requirements. This approach takes into account concerns about the current availability of fuel with a sulfur content of 0.1 percent, and thereby commences that more stringent fuel requirement phase in 2012, when greater availability of the fuel is assured. Voluntary efforts by shippers to expand low-sulfur fuel use and governmental initiatives such as the European Commission's mandate to use 0.1 percent sulfur fuel for ships at berth in 2010 – along with International Maritime Organization (IMO) proposals – will undoubtedly enhance the supply of low-sulfur fuel and thus satisfy this regulation's fuel supply requirements.

With respect to costs for industry, ARB staff estimate that the added cost of the regulation is equivalent to less than one percent of the total costs of a typical trans-Pacific trip. Further, staff do not envision that the regulation will result in significant capital costs to ship operators, as most ships will not require modifications to use distillate fuel.

The regulation is also cost effective. The PM cost-effectiveness of the regulation is comparable to other regulations adopted by the Board to reduce diesel PM. More importantly, the cost-benefit ratio of the regulation is impressive. The diesel PM reductions over the 2009-2015 period are projected at \$15.4 billion (present value) cost savings attributed to estimated decreases in premature mortality. (ES-21). The regulation's benefits to cost ratio, therefore, is 10 to 1. (ES-21).

Conclusion

We strongly support this regulation as an effective means by which to protect the public health of California residents from harmful air pollutants emitted by OGVs. As the U.S. EPA and IMO have failed to address this ever-increasing pollution source in an adequate or timely manner, it is imperative that the state of California must act. The health impacts are severe; the matter is urgent. ARB staff have crafted a sound regulatory response. We urge the Board to adopt the measure immediately.

Thank you for your attention to these comments.

Sincerely,



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