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June 21, 2012

Chair Mary Nichols
California Air Resources Board
1001 I Street, PO Box 2815
Sacramento, CA 95812

Re: SUPPORT- Investment of Cap-and-Trade Auction Proceeds to Incentivize Large Ocean-Going Vessels to Reduce Speed

Dear Chair Nichols:

Please accept the following comments on behalf of Ocean Conservancy with regard to the development of an investment plan for the use of cap-and-trade auction proceeds to help reduce greenhouse gases that contribute to climate change. We support the use of auction proceeds to help incentivize large ocean-going vessels to reduce speed as they transit the California coast.

We have been following with interest the California Air Resources Board (CARB) process to develop the investment plan pursuant to AB 32. In our view, allocating a portion of the auction proceeds to incentivize large ocean-going vessels to reduce their speed off the California coastline would result in both substantial and measureable reductions in greenhouse gas emissions and yield important additional benefits to the marine and coastal environment.

Such an effort would build on proven programs to incentivize ship operations to attain air quality benefits, as well as contribute to safeguarding endangered whales in California waters. Reduced large ship speed off the California coastline clearly and measurably contributes to California's goal of reducing green house gas emissions while assisting in meeting other California and federal agency public health and resource management goals. This allocation would confer public health and economic benefits by reducing smog-producing pollutants, directly benefiting public health and helping facilitate compliance with clean air goals.

Ocean Conservancy recognizes that commercial shipping is vital to the California and US economy. Regulatory activity to address shipping-related resource management concerns – including ship speed restrictions along the East Coast has been implemented to protect migrating whales¹. Clean fuel regulations are in place and focusing industry attention on routing, efficiency and scheduling. New technology designed to reduce collisions between endangered whales and ships is emerging.² And, incentive-based programs for achieving changes in

¹ Federal Register /Vol. 73, No. 198 / Friday, October 10, 2008 /Rules and Regulations

² D.C. Denison. " App keeps whales, ships safely apart." Boston Globe, April 05, 2012, Business Section: articles.boston.com/2012-04-05/business/31287977_1_north-atlantic-right-whales-whale-sightings-whale-alert

shipping industry operations that benefit environmental protection are proven in California. This context argues favorably for an incentive based program in California that explores further opportunities to address both industry economics and environmental concerns.

A successful Vessel Speed Reduction Incentive Program at the ports of Long Beach and Los Angeles that offers monetary-based incentives to slow ships approaching and departing these ports has yielded significant air quality benefits. Slower ocean-going vessels produce substantially less greenhouse gas emissions and reduce nitrogen oxide and sulfur dioxide pollution. Importantly, slower ships have the additional benefit of providing enhanced protection of marine mammals by reducing the incidence and severity of ship strike impacts on endangered blue, fin and humpback whales. Such ship strikes occurred at least several times in the summer of 2007 in the vicinity of the Channel Islands National Marine Sanctuary.

We urge you to strongly consider the use of Cap and Trade auction funds to incentivize slower, less polluting ship speeds in California.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Helms', with a long horizontal flourish extending to the right.

Greg Helms
Manager, Pacific Program