

**DD: 20<sup>th</sup> June 2011**

**TO: California Air Resources Board**

**FM: Hanjin Shipping Co. Ltd**

**RE: Comments on Regulations for Fuel Sulfur Requirements for OGV**

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The following notes have been developed to express Hanjin Shipping Company's positions on California CGV Clean Fuel Regulation. The California Air Resources Board (ARB) is invited to consider the notes and take actions as appropriate.

**Implementation date in accordance with Federal Regulation**

We are very pleased with the proposal that the ARB will conduct a public hearing to consider adoption of amendments to the Regulations for Fuel Sulfur and Other Operational Requirements for Ocean-Going Vessels Within California Waters and 24 Nautical Miles of the California Baseline (section 2299.2, title 13, California Code of Regulations (CCR) and section 93118.2, title 17, CCR).

According to the official proposal, we can find that the purpose of amendments is to help facilitate a successful transition to very low sulfur fuels by aligning implementation

date more closely with recently approved federal requirements.

In other words, we have been seen that Phase 2 Implementation date (0.1% sulfur distillate fuel beginning January 1, 2012) would be extended to January 1, 2014 by two years by the ARB's proposal.

Although this proposal must be very good to the shipping industry, the implementation date of the California Fuel Regulation is really required to be in conformity with the implementation date (January 1, 2015) of US Federal Regulation and EU SECA Regulation for full compliances by shipping industry and a successful transition to very low sulfur.

### **Sufficient Fuel Supplying Infrastructure**

Considering fuel supplier's comments and my company's experiences, there is no fuel supplier and port facility that can supply the 0.1% sulfur distillate fuel in the regions of Eastern Asia and America at this moment.

In this regard, be advised that sufficient market surveys and technical verifications should take precedence in order to confirm the possibility and availability of the low sulfur fuel in those regions in 2014.

In addition, we need to ensure that there is sufficient infrastructure to supply low sulfur fuel without difficulties.

We look forward to hearing good news from you.

Yours sincerely,

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