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> IN REPLY REFER TO: 5090 Ser 52F00ME/1545 April 24, 2013

Ms. Mary D. Nichols, Chair, California Air Resources Board, 1001 "I" Street Sacramento, CA 95814

Dear Ms. Nichols and California Air Resources Board Members:

Thank you for the opportunity to provide input and comments on your Draft Cap-and-Trade Investment Plan. We support including appropriate incentives for commercial vessel speed reduction within the Santa Barbara Channel Traffic Separation Scheme (TSS) in your Final Plan as a priority for funding and request Cap-and-Trade money be directed to the Vessel Speed Reduction (VSR) Initiative. This program, if properly designed, can benefit not only air quality in the region, but also help protect endangered whale species, increase vessel safety, and reduce potential conflicts with critical United States Navy (Navy) research, development, acquisition, testing, evaluation and training operations.

As background, the Navy's mission is to organize, train, equip and maintain combat-ready naval forces capable of winning wars, deterring aggression, and maintaining freedom of the seas. This mission is mandated by Federal law (Title 10 U.S. Code Section 5062), which charges the Chief of Naval Operations (CNO) with responsibility for ensuring the readiness of the Nations' Naval forces. CNO meets this directive by establishing and executing training programs, including at-sea training and exercises. Underlying this mission-readiness preparation is access to integrated ranges, operational areas, and airspace such as the Point Mugu Sea Range.

The Point Mugu Sea Range is the largest and most extensively instrumented air/sea range in the United States. The 36,000 square-mile Sea Range supports both developmental and operational test and evaluation of missiles, free-fall weapons and electronic warfare systems. The Range Operations Center hosts and monitors complex full battle group Fleet exercises involving aircraft, surface ships, and submarines. Any disruption of the Sea Range usage will have a degrading effect on numerous defense systems and required training, will add to range operation costs, and will limit our capacity to support national security interests. As such, careful attention must be paid towards any regulatory changes or incentives that might lead to an increase in shipping traffic through the Sea Range.

A recent National Oceanic and Atmospheric Administration Study shows that moving shipping traffic out of the Santa Barbara Channel TSS could significantly increase risk to endangered fin whales and would have no benefit to blue whales (Redfern, et al. 2013). While the study considers a modified scheme with shipping split between the existing TSS and an area to the south that runs through the Navy's Sea Range, it does not consider the air quality impacts of either route. Importantly, this study also concludes that when determining shipping routes in the area "…it may be more important to exclude shipping from certain areas within the military ranges."

One way to reduce risk to endangered whale species, while maintaining the current Santa Barbara Channel TSS is to provide financial incentive to ships that transit the existing TSS at lower speeds. It has been well documented that slowing commercial shipping traffic can help prevent ship strikes on whales. It is also well documented that reducing commercial shipping speeds significantly reduces greenhouse gas emissions.

5090 Ser 52F00ME/1545 April 24, 2013

If properly designed, this type of incentive could not only have benefits to whales, but also reduce air quality impacts while simultaneously decreasing conflict with critical Naval operations and protecting our National Defense Mandate.

We have appreciated the substantial work you and your staff have done to recognize the importance of the Sea Range as well as your ongoing commitment to consider VSR. We think that an incentive-based approach centered on vessels remaining in the current TSS, perhaps coupled with additional coordination with incentive programs at the ports, could help all the stakeholders to achieve their goals.

We appreciate the opportunity to provide this input on the Cap-and-Trade Investment Plan. For further information please contact the undersigned at (805) 989-9209 or anthony.parisi@navy.mil.

Sincerely,

A. M. PARISI Head, Sustainability Office By direction of the Commander

Reference:

J. V. Redfern, M. F. Mckenna, T. J. Moore, J. Calambokidis, M. L. Deangelis, E. A. Becker, J. Barlow, K. A. Forney, P. C. Fiedler, And S. J. Chivers. 2013. Assessing the Risk of Ships Striking Large Whales in Marine Spatial Planning. Conservation Biology. Volume 27, No. 2, 292-302.