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Subj: Comments to Initial Statement of Reasons (ISOR) and Proposed At-Berth Regulation

CARB Staff,

Thank you for the opportunity to comment on the ISOR and the proposed At-Berth Regulation. We appreciate the time and consideration CARB Staff has taken with efforts to propose a regulation that is workable for industry stakeholders.

Carrix is the parent company of SSA Marine and its affiliates. We provide terminal, stevedoring, and other services at California ports. SSA Marine has maintained a long term presence in California since 1982. Rail access for intermodal cargo and a large consumer market has made California a logical destination for a wide variety of products, both within the region, in nearby Western states, and throughout the country. Growth in logistics-based businesses have created a new and diverse source of employment and economic growth for California. As part of our contribution to enhance goods movement, most observers associate our activities as a marine terminal operator delivering quality services for container vessels calling California ports. We also provide important stevedoring and terminal services to vessel operators engaged in the transportation of general cargo and Roll-On, Roll-Off (Ro-Ro) vessels and other services.

SSA Marine is supportive of efforts to reduce emissions within the state and we look forward to continued dialogue with CARB staff to come up with practical, implementable and affordable solutions to meet these goals. However, we do have concerns with the proposed At-Berth Regulation and the many variables and uncertainties associated with what has been proposed. How these regulations adversely affect Ro-Ro vessels is particularly concerning.

CARB staff made a prudent decision to exempt bulk and general cargo vessels based on a significant economic impact versus the amount of emissions captured, and therefore terminals that receive this category of ships are not required to arrange for a CARB approved emission control strategy for their visit.

Our experience is that the cost benefit analysis and margins in the Ro-Ro business are not dissimilar from general cargo vessels, and it is not inconceivable that these unknown variables could have a significant impact and jeopardize our ability to operate.

We urge CARB to also exempt Ro-Ro vessels from proposed alternative at-berth control measures when shore side power capabilities fail to exist.

- We find that the proposed hourly rental rate of a barge-based emission control and capture system to be dubious, particularly since few service providers exists.
- Inasmuch as a monopoly or, at best, an oligopoly will be created by this proposed rule if adopted, the hourly estimates to rent a barge-based system are significantly underestimated.
- We encourage CARB to explore other options that allow it to achieve emissions reductions. It is more likely that harbor emissions will be increased from tugs and other harbor craft, nullifying any measurable gains by including Ro-Ro vessels in the rulemaking.
- The cost effectiveness of CARB's Carl Moyer program limit of \$30K per ton exceeds both the hourly or barge based purchase option proposed by CARB.
- Indeed, it would be far more prudent for CARB to exempt Ro-Ro vessels and capture more emissions from tugs and other harbor craft.
- Most of these harbor assets need to be repowered, and requiring Tier 3 engines is more cost effective and will allow CARB to capture a greater reduction in emissions as compared to Ro-Ro vessels, which amount to approximately one percent of the overall ocean-going vessel emissions in the San Pedro Bay Ports (SPBPs) 2018 inventory.

Definition of Emergency Event for a Utility: Notwithstanding the definition, we would like to see further clarification regarding what qualifies as an Emergency Event for power outages due to a failure on the Utility's end. Power outages are not uncommon in the Ports and this may result in a failure to utilize an emissions control strategy. In cases of power outages, would this be considered an exemption and no requirement to use a TIE or a VIE? If TIEs are to be utilized, in the event of a power outage, multiple vessels could be impacted while at berth. Would this result in the need to use multiple TIEs for a single event, or a requirement to pay into the Remediation Fund for the multiple vessels that were impacted by the outage?

1 Hour Plug/Unplug Requirement: We appreciate the efforts of CARB staff to fix the limitations of the 3/5 rule, but the new 1- hour requirement also presents additional challenges and potentially eliminates accepted practices under the current regulation.

Adding a restrictive time limitation on both the terminal and vessel operator will result in safety issues surrounding the handling of high voltage power equipment when plugging in a ship. We work in an industry where safety is our top priority, but accidents do happen, most typically when there is an arbitrary standard. For the safety of our people, we cannot place a restrictive 1-hour time limit on vessel plug and un-plugs. We implore CARB staff to address this. We would recommend language along the lines of "as quickly and safely as possible."

In addition, for those vessel operators who have chosen the lift-on lift-off compliance pathway, this 1-hour time limit would be unachievable in certain situations. For example, if a vessel arrives at berth between shifts (i.e. between 3 AM and 7 AM), labor typically isn't available until 8 AM to load or discharge any containers. In order to meet this 1 hour requirement, additional labor would have to be ordered for the sole purpose of loading an amp box, which is very cost prohibitive, or a vessel would

have to alter its schedule, potentially holding offshore, increasing emissions so as to arrive at times when labor is available.

Due to the limitations of the new 1-hour rule, it appears that the currently accepted amp-box technology that many in the industry have invested in and utilized to meet compliance will potentially be eliminated. We have not seen any data or economic impact analysis that addresses this and feel that this change will further limit industry's pathways towards compliance, not assist with it.

Terminal Responsibility for Infrastructure Failures: We feel that in many cases the responsibility for failures in shore power infrastructure might be misdirected to the terminal operator. As an example, the Port of Oakland has recently made it very clear that they (The Port) are the owners of the shore power infrastructure. As such, the Port of Oakland is responsible for maintaining that infrastructure and we as a terminal operator pay significant fees for that maintenance. In the event there is a failure with that infrastructure, the draft language indicates that the terminal would be required to either use a TIE or pay into the remediation fund. If the Port is responsible for maintenance and repairs of the infrastructure, how is it that a terminal operator would be required to pay remediation fees or use a TIE when there is a failure with that infrastructure? Where is the Port's responsibility in this?

Terminal Operator Requirements for Infrastructure: The draft language of this section indicates that Terminal Operators are responsible for "equipping their berths with a CARB approved emission control strategy." We strongly disagree with this requirement. In the majority of cases, it is the port that is the landowner and the landlord. Terminal operators are tenants who lease the land from the ports and making significant investments in port infrastructure doesn't make business sense. If we as a company decide to relocate or discontinue operations at a particular location, this infrastructure is not an asset that we can take with us. In some instances, due to the lengthy construction and permitting process it would be necessary to begin infrastructure installation now to comply with upcoming deadlines, not even knowing if we will be at the facility at the time of implementation. We feel that it is the port's responsibility to equip the berths with a CARB approved control strategy. Bringing electricity to a terminal to enable shore power is really providing utilities to the terminal, which is something a landlord is usually required to do, not the tenant. We would recommend changing the wording in section 93130.10(a) to:

(a) Port Infrastructure

Ports with terminals not excluded due to thresholds found under Section 93130.8(g) Terminal Exceptions, are responsible for providing equipment or necessary infrastructure that will enable a terminal to comply with this Control Measure, unless such equipment or infrastructure is provided by the terminal operator.

Additional Terminal Operator Requirements: The draft regulation suggests that if a vessel is commissioned to connect either port or starboard, it is the terminal operator's obligation to ensure that the vessel is berthed in that direction for all future visits, which places prohibitive operational and safety limitations on terminal operators when berthing vessels. In order to work a vessel safely and efficiently, we as terminal operators find it necessary at times to adjust the berthing direction of a vessel. This restriction would eliminate our professional discretion and ability to do so.

Excessive Reporting Requirements and Deadlines: We find the reporting requirements to be excessive, redundant, time restrictive and in some cases unnecessary.

It seems redundant to have each party report the same information. In scenarios where a barge-based system is used it appears that all 3 parties would be reporting very similar information?

The proposed reporting requirements for terminal operators will add additional man hour costs to meet these mandates, especially for our high vessel volume facilities. Additionally, some of the data that is being requested is not information that is typically relayed between vessels and terminals, such as the time the pilot has boarded the vessel. This will require an additional burden to all parties to increase communication and cross-check all information that will be reported. We would recommend streamlining the information and instead of reporting within 7 days of a vessel's departure, to send reports on a monthly or quarterly basis.

Summary

We appreciate this opportunity to submit our comments for the record. We urge you to exempt Ro-Ro vessels from the rulemaking. It is far more preferable, more cost effective, and there's a greater opportunity to capture a comparable level of emissions from harbor craft. Additionally, reporting requirements for unregulated vessels adds increased time and costs and does not seem to provide a practical benefit. Finally, the one-hour plug in requirement is not realistic, the ports need to assume responsibility for infrastructure failures and port infrastructure requirements, and we believe CARB should reconsider some of the excessive reporting requirements proposed in the rulemaking.