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April 20, 2020

Angela Csondes
Manager, Technical Analysis Section
Transportation and Toxics Division
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: At Berth Regulation Proposal for 2020 Amendment

Dear Angela:

We are writing this letter for inclusion in the 2020 board review comment record for the proposed At-Berth Regulation amendment language. We are offering CSL America's sincere appreciation to you and the CARB staff who have worked on this initiative over the past several years. Seldom have we seen regulators educating themselves to the degree CARB staff has as they engaged in their pursuit of relevant information and facts, in order to provide fully informed recommendations to the CARB board.

Since our initial At-Berth regulation position paper of October 5, 2017, addressed to Elizabeth Yura, and Jonathan Foster, the CARB staff has worked diligently to educate themselves about CSL's unique self-unloading vessel value quotient and how it compares to conventional bulk ships operations, power requirements and the resultant environmental footprint, delivering similar tonnage as conveyed in the following Appendix: Table 1.

Since then, over the past three years, we have become well acquainted with the CARB staff team as we introduced our International flag self-unloading vessel fleet; arranged on-board tours of our Motor Vessel (M/V) "Rt. Hon. Paul E Martin" at the Port of Redwood City in February 2018, organized our partners to participate in the CARB bulk workshops, and provided support through meeting and sharing detailed written submissions information to the staff team as they sought to understand the many different industries bulk vessels serve, types of bulk ships in each sector, associated terminal operations and power requirements of each. Your team has shown a keen interest in the bulk sector and demonstrated a clear understanding of both the environmental footprint of the bulk fleet and CSL's own unique and advanced position within our sector.

CARB staff has developed an appreciation over these past three years of the fact that commercially, tramp ship capture in the current recommendation for expansion of At-Berth Regulation could easily lead to a very constrained fleet size (only 3% of the Ocean tramp fleet have cold ironing capability) versus that available today with corresponding potential for spiraling freight rates materially impacting the U.S. economy.

As an operator of a self-unloader Panamax fleet competing as a subset to the bulk fleet, the sum of unneeded costs associated with At-Berth Regulation compliance in addition to costs associated with ballast water treatment system installation and operation together with other evolving requirements must ultimately be passed along as freight increases. As you have well noted, this could easily lead to modal shift to rail or truck.

We earlier illustrated this point in our letter to you of August 22, 2018, wherein we had provided the following information:

"CSL will deliver more than 5.5 million tons in 2018 of high quality construction aggregates and gypsum to the San Francisco Bay Area/Long Beach Ports. This cargo is often delivered directly to plant site but may be trucked from the receiving Port a short distance to construction projects or ready mix plant sites, on average less than 15 miles. If the current supply chain is no longer viable due to increased costs forcing the end user to switch to regional supply sources, this same 5.5 million tons would require truck transportation over distances as much as 5 times further (eq > 220,000 truck trips/yr. x 25 t capacity each) equating to an additional 55,000 - 8 hour truck operating days (basis 30 mph average speed) added to the California highway network. This would not only lead to a substantial increase in urban airshed pollution but a dramatic increase in congestion, resulting in significant safety and traffic flow decreases impacting California urban residents in your two largest population centers."

Modal Comparison
Gallons per Net Ton-Mile[2]

	Gallons per Net Ton-Mile	Pay load
Truck	0.0086	25 tons
Barge	0.0068	1,500 tons
Rail	0.0021	100 tons/rail car
Ship	0.0004	72,786 tons

Source: SANDAG Study, 2011, Table 4-2, Page 4-9

Your sensitivity in understanding that cargoes currently being handled by the CSL America's fleet into California has the added benefit of being far quicker in and out of port, which makes for a further limiting of emissions and a more environmentally efficient and sound off loading into California, is appreciated. We remain grateful for your acknowledging this benefit when compared to conventional gearless bulk carriers.

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Since our last written communication, CSL America's has purchased two bulk Kamsarmax vessels; "Electra" and "Flamenco", both built with high efficiency Tier II main engines. These two ships, representing a total investment exceeding $100 Million, are being converted to self-unloaders with installation of all the environmental capabilities and power efficiencies incorporated into our T-Class fleet of which the M/V "Rt. Hon. Paul E Martin" is the flagship. Once trading in 2021, these ships will bring the total of Tier II main engine powered vessels in our fleet to seven of eighteen trading, reflecting our ongoing commitment to marine industry environmental leadership.

We greatly appreciate that CARB has left our bulk sector out of the current proposal because of the efficiencies understood. As a result, we will continue to lead the bulk sector going forward by constantly striving to reduce our environmental footprint. We look forward to continuing our dialogue on our experiences and in actively seeking your input and feedback.

CSL America's welcomes the opportunity to continue to work with CARB staff through gathering the appropriate information from our fleet to enable reporting compliance as of January 1, 2021, through the interim evaluation due to commence year end 2022, (on the basis of the current Amendment as proposed) and beyond.

Thank you and kindest regards,

Garth Mitcham
Director – West Coast
CSL Americas

Website: www.cslships.com

cc: H. Friis – VP CSL Americas & Pool
A. Patterson – CCO, CSL Group Inc.
G. Dubreuil – CSL Group Inc.
J. Dunlap III – Dunlap Group

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APPENDIX

Table 1

Efficiency Comparison Bulker and SUL Vessel

	Gearless Panamax Bulk Carrier	Panamax Self-Unloading Vessel
Berth Needs at Discharge port	Berth with multiple cranes and hoppers so large berth area required- large environmental impact of construction	Minimal berth needs with single hopper, minimal Dolphins to tie up vessel. The rapid turnaround time associated with self-unloaders frees up congested berths, thus reducing port costs and demurrage.
Power requirements to discharge vessel- (Cargo 65,000MT)	**122,508 kw-h** • Crane discharge - average of 8 ports data gathered • Additionally there will be emissions from Stevodores transport and Payloaders to clean holds at end of discharge. • Includes Hotel Load (BWTS excluded)	**31,709 kw-h** • Discharge to single hopper at rate 4,600 MTPH • Includes Hotel Load (BWTS excluded)
Environmental Controls	• Crane discharge with Grabs generates dust and spillage • Open Hatch During Discharge	• Loading and discharging cargo from a self-unloader can be carried out within a completely enclosed system. This ensures a clean ship and a clean dock, no dust pollution around the harbour and reduced noise levels. • Closed hatch discharge • Advanced dust suppression equipment and covered booms further reduce the potential for dust or spillage.
Bow Thruster	Majority do not have	Bow Thruster fitted • Option of one less tug in port for arrival and departure, 1,500kW Bow thruster less emissions than use of Tug
Shaft Generator/PTO	Majority do not have	Fitted • Power Takeoff fitted allows generators to be switched off during voyage, power taken from Main Engine. Fuel Efficiency gain 20% (Fuel rate 198gr/kwh for AE vs 165gr/kwh for Main Engine)

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