

Office of the Executive Officer Barry Wallerstein, D.Env. 909.396.2100, fax 909.396.3340

July 16, 2008

Mr. James Goldstene Executive Officer California Air Resources Board 1001 I Street Sacramento, CA 95812

Tames Dear Mr. Goldstene:

SCAQMD Staff Comments on the California Air Resources Board Proposed Regulation for Fuel Sulfur and Other Operational Requirements for Ocean-Going Vessels Within California Waters and 24 Nautical Miles of the California Baseline

The South Coast Air Quality Management District (SCAQMD) staff appreciates the opportunity to provide comments on the California Air Resources Board (CARB) proposed regulation for the fuel sulfur requirements for main and auxiliary diesel engines and auxiliary boilers operated on ocean-going vessels. We commend CARB staff efforts in developing the proposed regulation which would implement one of the key control strategies in the 2007 State Implementation Plan with substantial emissions and health benefits in the South Coast Air Basin.

We urge the CARB Board to move forward with adoption of the proposed regulation and submit the regulation to the Office of Administrative Law (OAL) as early as possible. Our analysis indicates that having the regulation will lead to significant reductions in residential exposure to fine particulates. As such, we strongly believe marine fuels with the lowest sulfur content must be used as soon as possible. As you are aware, the San Pedro Bay Ports Clean Air Action Plan (CAAP) calls for the use of cleaner sulfur content marine fuels in marine vessels calling at terminals through new lease agreements. The Ports are also incentivizing the use of such fuels for vessels operators by offsetting the differential cost between bunker fuels and the lower sulfur content fuels. We believe that

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such actions send a strong message to the global fuel producers that there is a need for these cleaner fuels and the demand for these fuels will grow as vessel operators sign up for the Ports incentive program. The SCAQMD staff will continue to work with the Ports and other stakeholders to ensure that the 0.1% or cleaner fuels will be used to the maximum extent possible prior to the deadlines in the proposed regulation.

In summary, we are supportive of the proposed regulation. We do believe that local actions are also needed to protect public health as soon as possible and to ensure that these cleaner fuels will be more readily available prior to the deadlines in the proposed regulation. We strongly believe that today many of the vessels that enter the Ports of Los Angeles and Long Beach have access to and are already using marine fuels that are cleaner than the 0.5% sulfur content marine fuels proposed under Phase 1 of the proposed regulation and that mechanisms must be developed to encourage more marine vessel operators to "fuel up" with these cleaner fuels. As such, we are committed to working closely with your staff in implementing the proposed regulation and making certain that the projected air quality benefits are realized in a timely manner.

We urge the California Air Resources Board to adopt the proposed regulation at its July 24, 2008 meeting. If you have any questions regarding our comments, please feel free to call me or Mr. Henry Hogo, Assistant Deputy Executive Officer – Mobile Source Division, Science and Technology Advancement, at (909) 396-3184.

Sincerely,

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Barry R. Wallerstein, D.Env Executive Officer

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cc: Mr. Mike Scheible, CARB Mr. Bob Fletcher, CARB Mr. Dan Donohoue, CARB Ms. Peggy Taricco, CARB