



**Santa Barbara County
Air Pollution Control District**

June 8, 2012

California Air Resources Board
1001 I Street, PO Box 2815
Sacramento, CA 95812

Re: Use of Cap-and-Trade Auction Funds to Reduce GHG Emissions from Ships

Dear Ms. Nichols and Board Members:

The Santa Barbara County Air Pollution Control District is pleased to provide input on use of Cap-and-Trade auction funds, and recommends that some funds be used as an incentive to reduce speeds of large ships along the California coast.

This action addresses the goals of AB 32 immediately and directly. Reducing ship speeds down to 12 knots along the California coast from the current speeds of approximately 20 knots would produce a 50% reduction of greenhouse gases (GHG). 12 knots appears to be a feasible lower limit. Approximately 1.4 million metric tons of GHG reductions would be achieved statewide. This amounts to nearly half of the entire reductions expected from Cap and Trade on a yearly basis.

This action also provides significant public health and business benefits. Particulates, air toxics, and nitrogen oxide emissions would also be reduced by vessel speed reduction, significantly benefiting public health. In addition, coastal communities, and the businesses located in these communities, would be assisted in efforts to attain health-based standards for particulate matter and ozone.

This action supports the state's economy, and furthers a long-term transformative effort to develop a clean-energy economy. Shipping companies docking in California already have to comply with the state's fuel rule and the International Maritime Organization's rules associated with the North American Emission Control Area. An incentive-based program avoids the need for mandatory ship speed reduction, which is under evaluation by the California Air Resources Board, and the National Oceanic and Atmospheric Administration (NOAA). NOAA has implemented mandatory speed-reduction measures along the East Coast, and has been petitioned to regulate speeds on the West Coast, for protection of endangered whales.

Providing incentives to shipping companies would avoid potential costs to the industry of scheduling adjustments, and would support the continued economic health of the ports, an economic engine for all of California. The auction revenue incentives would initially offset increases in scheduling and crew costs, and then substantial annual savings in fuel costs would kick in over the next few years, providing a sustainable incentive for speed reduction.

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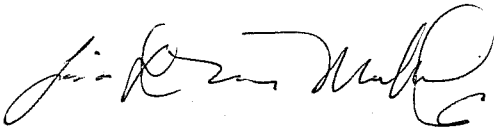
The action provides other important environmental benefits. Reduced ship speeds would reduce the risk and severity of ship strikes on endangered blue, fin and humpback whales. NOAA supports this action for its benefits to these whale populations. Slower ships are also quieter ships, reducing ocean noise pollution that negatively affects marine mammals.

The action could be implemented based on an existing model. The Ports of Long Beach and LA already have implemented successful programs that reward shipping operators with incentives for voluntarily reducing ship speeds when approaching the ports. These programs have been in effect for several years, and compliance rates have been very high.

The emission reductions are verifiable and measureable. A network of monitors along the California coast currently tracks ship position and speed. This data can be obtained on a daily basis to ensure ships speeds are in compliance. Additionally, ship fuel consumption data could be reviewed.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis D. Van Mullem Jr.", written in a cursive style.

Louis D. Van Mullem Jr., Air Pollution Control Officer
Santa Barbara County Air Pollution Control District