



August 5, 2011

Clerk of the Board
California Air Resources Board
1001 I Street, 23rd Floor
Sacramento, CA 95814

SUBMITTAL OF COMMENTS

Re: Proposed Amendments to the Regulations for Fuel Sulfur and Other Operational Requirements for Ocean-Going Vessels within California Waters and 24 Nautical Miles of the California Baseline.

APL Co. Pte LTD, hereafter known as APL, is a global container shipping business facilitating world trade since 1848. We operate a fleet of deep draft ocean going freight vessels calling at California ports and have a strong commitment to improving air quality in California. This is most recently evident through our initiation of the first-ever shore power "cold iron" system in the Port of Oakland in conjunction with the California Air Resources Board (ARB). To that end, we are concerned with the proposed amendments to the Regulations for Fuel Sulfur and Other Operational Requirements for Ocean-Going Vessels within California Waters and 24 Nautical Miles of the California Baseline, particularly with regards to regulatory consistency and potential loss of propulsion.

As members of the Pacific Merchant Shipping Association (PMSA), a maritime trade association representing shipping companies servicing regular trade routes through U.S. West Coast ports; we fully support their comments on these proposed amendments in their letter dated July 22, 2011. Furthermore, we support PMSA's approach to developing an international response to solving vessel emission problems. Given that vessels are mobile and routinely cross a wide array of boundaries and jurisdictions, the United States recognized the value of an international response with the creation of the United States and Canada Emission Control Area (ECA). As you are undoubtedly aware, it was approved by the International Maritime Organization in March 2010 and is scheduled to be implemented in August 2012.

The ARB Proposed Amendments take a step toward regulatory consistency by postponing until to 2014 the date at which the percent sulfur required will decrease. While we welcome this postponement, particularly for reasons relating to loss of propulsion as outline below, it leaves a one year gap of inconsistent regulations for vessels calling at California ports. We strongly encourage ARB to make the postponement date 2015 in order to align with the ECA's percent sulfur reduction date.

With regards to loss of propulsion (LOP) associated with fuel oil switching, APL's U.S.-flag division, APL Maritime (AML) conducted an analysis of the LOP marine casualty reports made to the U.S. Coast Guard for vessels calling California ports in 2010. As you are aware, a vessel's loss of propulsion dramatically increases the risk to the environment and APL is committed to striving to eliminate such risk.

The LOP analysis was conducted in conjunction with underway audits aboard AML vessels operating from California ports in response to the ARB zone requirements. Recommendations were developed from this analysis and used in discussions with the various regulatory bodies concerning the issue of fuel oil switching, including the U.S. Coast Guard Sector San Francisco "Loss of Propulsion/ Marine Engineers" meeting on March 16, 2011 in Oakland. AML found enough subjective evidence in their analysis to believe LOP marine casualties reported by large ocean going vessels was directly related to fuel oil switching and contributed to stalling, loss of fuel oil pressure, and clogging of fuel lines and filters all of which resulted in the reportable marine casualty. To that end, APL strongly recommends that ARB postpone until 2015 the implementation of more stringent sulfur criteria in order for vessel owners and operators to be fully prepared for all possible contingencies when fuel oil switching.

APL Co. Pte Ltd
614 Terminal Way
Terminal Island, CA 90731
Tel: 310.548.8822 Fax: 310.548.8739
www.apl.com

In conclusion, APL strongly supports an international approach to addressing the emission issues associated with international shipping throughout the world. We believe that the international approach is critical to maintaining competitive parity of California ports. If you have any questions regarding our comments, please do not hesitate to contact me at earl_agron@apl.com or 510-272-3985. Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, reading "Robert A. Clark, II". The signature is fluid and cursive, with the first name "Robert" and last name "Clark" being more prominent, and "A." and "II" written in smaller script.

Robert A. Clark, II
Director of Environmental Affairs, Americas