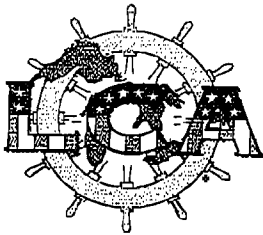


EPA-HQ-OAR-2007-0121



# Lake Carriers' Association

*The Greatest Ships on the Great Lakes*

**JAMES H. I. WEAKLEY, PRESIDENT**  
216-861-0590 • weakley@lcaships.com

March 6, 2008

MAR 07 2008

Via Fax: (202) 566-9744

Environmental Protection Agency  
Mail Code: 6102T  
1200 Pennsylvania Ave., NW  
Washington, DC 20460

Dear Sir or Madam:

**U.S. EPA DOCKET (EPA-HQ-OAR0-2007-0121; FRL-8502-5)  
CONTROL OF EMISSIONS FROM NEW MARINE COMPRESSION-IGNITION  
ENGINES AT OR ABOVE 30 LITERS PER CYLINDER  
FEDERAL REGISTER, VOL. 72, NO. 235, DECEMBER 7, 2007, PAGES 69522-69546**

Lake Carriers' Association represents 17 American corporations that operate 61 U.S.-Flag vessels on the Great Lakes. These vessels carry the raw materials that drive our country's economy: iron ore for the steel industry, limestone for the construction industry, coal for power generation.... In 2007, our members moved more than 104 million tons of dry-bulk cargo.

As American companies employing American workers we share our nation's desire for a clean environment. As technology has advanced, and business conditions have permitted, our members have upgraded the power plants on their vessels. These upgrades have reduced fuel consumption and emission of greenhouse gases. However, given that there are only nine U.S.-Flag ships and tug/barge units on the Great Lakes that have Category 3 engines, we are not certain that these power plants are "important contributors to our nation's air pollution" as stated in the Summary of the Advance Notice of Proposed Rulemaking. At least not on the Great Lakes. Nonetheless, we realize that this rulemaking will proceed and address our members' vessels, so we offer the following comments, for the nine U.S.-Flag Great Lakes vessels that have Category 3 engines represent nearly 30 percent of the fleet's carrying capacity.

We have three major concerns. The first is the use of low-sulfur fuels. This would represent a significant cost to the industry. Take for example a 1,000-foot-long vessel carrying 50-plus cargos a year. That vessel consumes 3.5 million gallons of fuel over a season. If the vessel is using heavy fuel (Bunker C), the cost is approximately \$1.65 per gallon. We are told that low-sulfur fuel costs as much as \$3.40 per gallon, so in this instance, the vessel operator is looking at fuel costs more than doubling. If the vessel is using #2 diesel, the cost is approximately \$2.70 per gallon. Another \$0.70 per gallon for low-sulfur fuel spread over a season adds another \$2.4 million to the vessel's operating costs. **Those are significant costs.** The EPA must understand that competition between transportation modes is fierce. Too great an increase in vessel operating costs could produce a modal shift or even price waterborne commerce out of business.

*Continued . . . /*

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**Representing Operators of U.S.-Flag Vessels on the Great Lakes Since 1880**

AMERICAN STEAMSHIP COMPANY • ARMSTRONG STEAMSHIP COMPANY • BELL STEAMSHIP COMPANY • CENTRAL MARINE LOGISTICS, INC. • GRAND RIVER NAVIGATION COMPANY, INC.  
GREAT LAKES FLEET, INC./KEY LAKES, INC. • GLF GREAT LAKES FLEET CORP. • HMC SHIP MANAGEMENT, LTD. • INLAND LAKES MANAGEMENT, INC. • INTEGRATED SHIPPING, LLC  
THE INTERLAKE STEAMSHIP COMPANY • LAKES SHIPPING COMPANY • LAKE MICHIGAN CARFERRY SERVICE • PERE MARQUETTE SHIPPING • SDO MARINE SUPPLY, INC.  
UPPER LAKES TOWING COMPANY, INC. • VANENKEVORT TUG & BARGE INC.

MAR 07 2008

LAKE CARRIERS' ASSOCIATION  
U.S. Environmental Protection Agency  
Control Of Emissions From New Marine Compression-Ignition Engines At Or Above 30 Liters Per Cylinder.....

MARCH 6, 2008

Page 2

Further concerning prices, we must all bear in mind the upward spiral in the past year or so. Who knows how much low-sulfur fuel might cost next month, let alone next year?

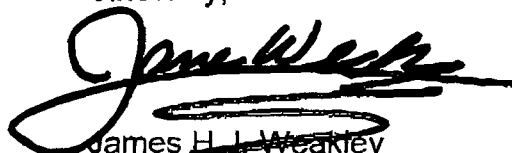
We also must note that the availability of low-sulfur fuels now and in the future is not guaranteed.

Vessel operators have the option of installing scrubbers rather than switching to low-sulfur fuels. This is problematic. First, not all vessels have the physical space to accommodate scrubbers. Second, the costs of installation and then maintenance over the years are considerable. Based on a brief discussion with a manufacturer, we estimate the cost of adding scrubbers could easily reach \$2 million per vessel. Since none of our vessels have scrubbers, it is difficult to determine annual maintenance costs, expenses related to use of urea, crew safety issues.... Suffice it to say installation and operation of scrubbers would be a major cost that again would make waterborne commerce less competitive with land-based modes.

The geographic component of the proposal clearly discriminates against the Great Lakes. Vessels working the Lakes are always within 200 nautical miles of land, so the strictest standards would be enforced 24/7. Many vessels (perhaps most) in the ocean trades spend the predominant part of their time far from shore and would be able to use the higher-sulfur fuels. The fair way to treat the Great Lakes is to have the Tier 3 NOx and Sox/PM standards only apply in close vicinity to non-attainment areas.

Again, we do want cleaner air, but feel that vessels are being singled out too much, at least on the Great Lakes. We urge the EPA to take great care in drafting its Notice of Proposed Rulemaking, for increased costs could force cargo off vessels and on to land-based transportation modes that burn more fuel and produce more emissions than ships and tug/barge units.

Sincerely,



James H. I. Weakley  
President

JHIW:lca  
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cc: Members - LCA Fleet Engineers Committee