

United States Senate

WASHINGTON, DC 20510

December 13, 2012

The Honorable Lisa Jackson
U.S. Environmental Protection Agency
Ariel Rios Federal Building
1200 Pennsylvania Avenue, NW, Room 3000
Washington, DC 20460

Dear Administrator Jackson:

We ask you to create a pilot program reducing harmful cruise ship emissions while in port but also allowing the use of conventional marine fuels in remote areas. This would both protect the public health benefits of the North American Emission Control Area (ECA) and address the serious economic challenges these new rules present to the cruise industry.

As you are aware, the initial implementation of the ECA went into effect August 1, 2012. More steep and costly emission requirements begin January 2015.

Any federal rule increasing transportation costs to our geographically disadvantaged states has to be examined closely. We expect agency policy-makers to balance the costs incurred by operators of large vessels with the need to reduce harmful emissions through the use of lower-sulfur fuel when inside the ECA. Both Alaska and Hawaii remain dependent on frequent shipments of consumer goods from the contiguous 48 states. In addition, our economies rely in large part on tourism, including a large number of cruise ship passengers.

When the EPA proposed the boundaries of the North American ECA in 2009, several of us wrote you questioning if the appropriate science had been done to support such a large geographical designation and whether sufficient flexibility existed to accommodate innovative emission reduction approaches already in use and more immediately available to the marine transportation sector. To date, progress is mixed.

We are pleased with the work of EPA, the U.S. Coast Guard and a number of industry stakeholders to address ECA compliance in parts of the shipping sector. In particular, we salute the multi-agency collaboration with Totem Ocean Trailer Express (TOTE) to provide short-term relief from compliance with the ECA as it retrofits ships to use low-cost and clean-burning liquefied natural gas (LNG).

TOTE's agreement will be the first major use of LNG as a ship fuel in the United States and should help insulate Alaskans from increased shipping costs while providing even

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higher emission reductions than ECA requires over the long term. In addition, TOTE's owner company has recently announced the commissioning of up to 5 new LNG-fueled cargo ships and, hopefully, others will follow the trail TOTE is blazing, leading to even greater improvements in shipping economy, jobs in U.S. shipyards, air quality, and markets for natural gas. This type of innovative thinking, coupled with regulatory flexibility, is what we need to be doing.

Unfortunately, the cruise industry, a central feature of our economies, has fewer cost-effective options under the ECA rule as implemented. Because cruise ships often work different routes across the globe throughout the year, converting to LNG is not a viable option when LNG fueling stations are not available in many ports, especially compared to the infrastructure on container shippers' fixed routes.

The cruise industry has proposed an innovative pilot-program in which it would achieve the same public health benefits that continuously burning ECA-compliant fuel would achieve, but would have the flexibility to use population-weighted averaging to achieve those standards. They would use shore-power or ultra-clean fuel while in port where emissions have the biggest population impact and use more cost-effective fuels while in remote areas.

If the EPA fails to allow this pilot program, we are concerned that cruise prices would rise dramatically, which would reduce bookings and devastate our coastal communities which rely on robust tourism. We encourage you to demonstrate the same forward-thinking regulatory flexibility with the cruise ships that you did with TOTE and the container shippers.

Thank you again for your leadership on this issue. Please feel free to contact me on this or any other issue.

Sincerely,



Mark Begich
United States Senator



Daniel K. Inouye
United States Senator



Daniel K. Akaka
United States Senator