



July 30, 2008

Minnesota Pollution Control Agency
520 Lafayette Road N
St. Paul, MN 55155

Dear Sir or Madam:

Subject: Detailed Comments of the Canadian Shipowners Association on the Minnesota Pollution Control Agency's revised, proposed Ballast Water Discharge General Permit

The Canadian Shipowners provides comment herein on the proposed draft of the State Disposal System (SDS) Permit Program's Ballast Water Discharge General Permit posted by the Minnesota Pollution Control Agency (MPCA) on their website June 30, 2008. Our vessels are more than 50 metres in length, carry more than eight cubic metres of ballast water, and frequent the Minnesota state waters of Lake Superior regularly. They would therefore be required to apply for coverage under the proposed General Permit.

The Canadian Shipowners Association represents the owners of ships trading in the Great Lakes and St. Lawrence Seaway. Our members' fleet comprises 68 vessels with an annual volume of about 65 million tonnes in 2006, of which 33.5 million tonnes – more than half – were carried between Canada and the United States.

GENERAL

The proper use of ballast water is critical to the safe operation of cargo ships, and the cargo ships plying their trade in the Great Lakes are critical to the well-being of the economies of Minnesota and of North America as a whole. This being said, we and our member companies recognize the importance of maintaining an environmentally sustainable marine transportation industry. We are committed to developing and employing best practices and procedures that embrace continuous improvement through new technology, management principles and cooperation with government, industry and the public.

We submitted comments on the first draft of the General Permit in April, and we find that this revised draft fails to take into account the most pressing concerns that we expressed at that time. **The most significant problem with the revised version is the retention of the requirement to install ballast water treatment systems on both new and existing vessels.** We also have difficulty with the fact that this proposed permitting system will contribute to fragmentation of the regulatory environment on ballast water in the Great Lakes. As a result, we feel that we must now reiterate most of our objections to the original draft.

With respect to the proposed permit requirements to install ballast water treatment technology on ships discharging ballast water to Minnesota state waters, we present the following information:

1. **The Canadian Great Lakes fleet does not pose a risk of introducing new invasive species to the Great Lakes**

Non-ocean-going ships such as ours operate within the limits of the Great Lakes and St. Lawrence ecosystem, and therefore are not a risk for introduction of new invasive species to the lakes. Our vessels already operate according to voluntary best management practices for ballast water management which have proven to be effective in guarding against spreading invasive species and diseases. **As a result, requiring the installation of ballast water treatment systems on lake ships is a redundant measure that will not substantially increase environmental protection, but will have other economic and environmental consequences** (see point number 2, below).

At a workshop on ballast water convened by the US Coast Guard in January, 2008, a representative of the US Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) indicated that the greatest risk of transmission of viral hemorrhagic septicemia (VHS) was from the movement of live fish from areas of infection to other areas without. The presence of viral particles in the water, or even of pieces of dead fish posed a much lower risk of actual transmission. Best management practices used by our vessels, such as fitting gratings with the smallest openings allowed by good engineering practice – in practice this means half an inch or less – on ballast water intakes and mandating the use of pumps for all ballast water movements where the bottom will not be disturbed, make it all but impossible for live fish to enter the ballast tanks without being pulverized by the pumps.

As a result of this, the ballast water we carry presents a very low risk for transmission of VHS. Duluth-Superior received nearly 30% of all ballast water discharges taken up in the Great Lakes and St. Lawrence Seaway in 2005 – over twenty million metric tonnes – and no outbreaks of VHS have occurred. Best management practices for lake ships have also prevented the spread of ruffe

from Duluth to other Lake Superior ports such as Thunder Bay, and those management practices can be equally effective in future.

2. Installation of ballast water treatment systems as currently prescribed is not feasible, and may create other environmental consequences.

Notwithstanding the fact that lake vessels do not pose a risk to introduce invasive species as explained above, installation of treatment systems in existing vessels is not feasible within current ship design. Lake ships are designed to optimize carrying capacity within the constraints of the lock dimensions. These vessels were not designed to allow the installation of ballast water treatment systems and the associated piping. **Any reduction of cargo-carrying capacity due to installation of ballast water treatment systems will render the ship more environmentally inefficient in terms of emissions of air pollutants and greenhouse gases** – each ship will burn the same amount of fuel, but carry less cargo. The requirement to install treatment systems will also render the marine industry less competitive due to the cost of their installation and to the loss of cargo capacity.

The revised permit extends the timeline somewhat, but continues to require installation of such treatment systems onboard existing vessels which were not designed to accommodate them. Phasing in of treatment systems should be considered within the context of fleet renewal.

Currently available ballast water treatment systems are not designed for Great Lakes trade and operational requirements. Lakers generally carry much larger volumes of ballast water than ocean-going vessels do, and have to be able to take on or discharge ballast quickly when loading or unloading cargo. In addition, lake ships often make transits from departure to destination in a matter of hours. Since today's most promising treatment systems are rate-limited or require a certain minimum residency time to be effective, these vessels will require a large number of treatment systems in order to be able to treat the required volumes within a practical timeframe or delay passage until treatment is complete before putting in at the destination. The requirement to greatly increase the transit time on short voyages will render the marine mode uneconomic and would likely result in traffic shifting to other modes such as trucks (as discussed below). This constraint will apply to new vessels as well as existing ones.

Treatment systems could lead directly to increased emissions of air pollutants and greenhouse gases. Ballast water treatment systems will require energy, which will have to come from onboard generators and could lead to increased emissions of air pollutants and greenhouse gases while discharging or taking on ballast.

In view of these limitations, and those mentioned under point number 1, above, we suggest that existing and new vessels which operate exclusively within the Great Lakes and St. Lawrence ecosystem should be exempt from the requirement to install ballast water treatment systems.

3. A requirement to install ballast water treatment technology may render the shipping industry uncompetitive in the Great Lakes

The proposed requirement to install ballast water treatment systems in both new and existing ships would, as described above, lead to substantial cost increases and loss of efficiency for the marine transportation industry in the Great Lakes. These added costs would have to be passed on to the shippers, which could in turn lead to marine freight rates becoming uncompetitive with those of land modes. This would in turn lead to hardship for the industries that depend on marine transportation. **Some would be forced to turn to land modes for their transportation needs – where such a shift is possible – and others would be left without an economical transportation option, likely leading to loss of business, bankruptcies, and loss of employment and economic activity for communities.**

A shift to land modes could effectively shut down the marine trade in and out of Minnesota. In addition, this modal shift from marine to rail or truck would incur serious environmental costs in terms of air pollution and greenhouse gas emissions. This scenario ignores the fact that some major facilities in the steel-making industry, for example, are only equipped to receive their ore by marine carriers and have no equipment to receive it by rail or road.

We believe that the goal of the proposed measures is an important one, but that its implementation will result in a modal shift that may produce overall environmental impacts which may be greater than those it seeks to prevent. The requirement for universal treatment of ballast water is unachievable at present and includes lakewaters which are demonstrably not the source of new invasive species.

4. A new permitting regime unique to Minnesota will increase the fragmentation of the regulatory environment for ballast water on the Great Lakes

We reiterate our support for the position taken by the Lake Carriers Association, the Shipping Federation of Canada and others who support a unified federal approach to ballast water regulation in the United States. A patchwork of different standards and approaches distinct to each of the Great Lakes states will create a disjointed and ineffective response to important environmental issues as well as a cumbersome administrative burden which would affect the competitive position of the marine industry in the Lakes. Additional administrative costs

associated with operation in Minnesota state waters may put Minnesota's ports at a competitive disadvantage to those in other jurisdictions.

5. Permit application administrative burden for owner/operators with multiple vessels

Some of our members own and/or operate numerous vessels to which the permit will apply. Providing these companies with the ability to submit one permit application (and sample ballast water and sediment management plan) and to receive one Notice of Coverage for their fleet would serve to decrease the administrative paperwork requirement both for the shipowner and the MPCA.

CONCLUSION

In summary, while we support the overall goal of the proposed permit, we believe that a requirement for universal treatment of ballast water, implemented at the local level, is impractical and unfairly affects lake carriers who present a very low risk of introducing aquatic invasive species. **This, among other reasons, is why the CSA favours a federal solution for ballast water.** To require the installation of treatment systems on all new and existing ships will not substantially improve environmental protection, but will put the marine industry at a competitive disadvantage which could have very negative economic effects on many communities in Minnesota and throughout the Lakes.

As we stated in our comments in April, the requirement to treat all ballast water is not practical from the economic or engineering points of view, particularly for existing ships. **As a result, we recommend that the permit exempt all new and existing vessels which operate exclusively within the Great Lakes and St. Lawrence ecosystem from the requirement to implement ballast water treatment systems.**

We hope that the Agency will consider the implications that the permit as currently proposed would have for the marine transportation industry in Minnesota and on the industries that it serves before finalizing the language of the permit. We believe that the permit should give appropriate recognition to the distinct circumstances of the non-ocean-going shipping industry, and that this can be achieved while still providing the needed level of environmental protection. Thank you for the opportunity to present our views on this important subject.

Sincerely,

<Original signed by>

Don Morrison
President