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Dr. Eben Thoma
Office of Research and Development
National Risk Management Laboratory
U.S. Environmental Protection Agency
109 TW Alexander Drive
Research Triangle Park, NC 27711

RE: AWO's Air Emissions Initiatives

Dear Dr. Thoma:

The AWO membership greatly appreciates the opportunity to peer review EPA's draft report, titled, "Investigation of Fugitive Emissions from Petrochemical Transport Barges Using Optical Remote Sensing." AWO values the effort EPA has undertaken to ensure that the report is thorough, including the agency's decision to reprint industry's written concerns with the methodologies of the study in the appendix of the final report. Moving forward, the towing industry stands ready to continue to work with EPA to be a driving force in improving air emissions. AWO members have long prided themselves on being responsible environmental citizens and look forward to contributing their considerable amount of expertise to the work being done on air emissions across the country. As an industry, AWO members firmly believe that tugboats, towboats and barges are part of the solution to reducing air emissions, and we will continue to explore methods for achieving emissions reduction goals wherever possible. We would like to share with you the history of our multistate effort to reduce emissions.

California

In 2007, AWO began working with the California Air Resources Board (CARB) on its proposed harbor craft regulations. CARB had become concerned about the emissions from commercial harbor craft operating in California, and proposed a series of regulations that would both require harbor craft to use low-sulfur fuel and establish stricter emission limits for such vessels. AWO worked with CARB to discuss the impacts the regulations would have on industry operations and participated in public comment periods expressing concerns about industry's ability to comply with the proposed regulations within CARB's suggested timeline. When the regulations finally took effect in January 2009, AWO members operating in California were in compliance with the state's requirement to use cleaner burning CARB diesel fuel.

Louisiana

In 2006, AWO members created the Barge Emissions Working Group. This Working Group is made up of more than a dozen liquid carriers and was created for the express purpose of partnering with state agencies to address inadvertent emissions from tank barges. When infrared "HAWK" overflights conducted in 2005 and 2007 by the Louisiana Department of Environmental Quality (LDEQ) indicated potential emissions problems attributable to tank barges operating in Louisiana waters, AWO was able to respond quickly. The Working Group reached out to LDEQ and the U.S. Coast Guard to determine the amount of inadvertent emissions attributable to tank barges operating in Louisiana and to implement necessary changes to mitigate these emissions.

In 2006, the Working Group developed an industry Best Management Practices (BMP) document to reduce and control inadvertent vapor emissions from barges. AWO reached out to LDEQ, the Texas Commission on Environmental Quality (TCEQ), the U.S. Coast Guard and the Chemical Transportation Advisory Committee (CTAC) to validate the document. The BMP now represents the standard practice for the AWO membership, and the Barge Emissions Working Group has agreed to amend the document as necessary to ensure that it remains an effective tool for reducing and controlling inadvertent vapor emissions.

In April 2009, the AWO Inland Liquid Sector Committee joined with LDEQ in signing a Memorandum of Understanding (MOU) to study the effect of barge traffic on air quality in the Baton Rouge area. The MOU outlines an in-depth plan to determine if barges are impacting Volatile Organic Compound readings at LDEQ's Carville air-monitoring site. The monitoring program ran from May 1 to September 30, and a report detailing the results of the program will be published soon. Initial results indicate that only 5% of emissions triggers may be attributed to barge, ship or other river sources.

Tennessee

With strong partnerships firmly established in Louisiana and Texas (see section below), AWO began working with the Memphis and Shelby County Health Department (MSCHD) on projects to reduce emissions in Tennessee. In 2007, MSCHD developed a draft report titled "An Evaluation of Hazardous Air Pollutants and Volatile Organic Compounds Emissions from Tank Barges." The report outlined a proposal to evaluate inadvertent emissions from tank barges operating on McKellar Lake in Memphis. The Barge Emissions Working Group partnered with MSCHD to offer guidance on the methodologies proposed in the report and submitted official comments in February 2008. In September 2009 MSCHD began its study to quantify barge emissions in Memphis, and the agency has continued to engage AWO as a partner throughout this process.

Texas

One of AWO's earliest state-based partnerships to address air emissions was with Texas. For the last 10 years, AWO members have participated in repower programs offered by the state. Through these programs, vessel operators can receive funds to reengineer auxiliary engines to reduce fuel consumption and emissions. In turn, operators are required to keep the repowered

vessels operating in Texas for a period of 5 years, ensuring that the state receives longer-term environmental benefits from its commitment to the program.

In 2001, the Texas Waterway Operators Association (TWOA), currently led by AWO members Kirby Corporation, McDonough Marine Service and American Commercial Lines, signed a Memorandum of Agreement (MOA) with the EPA and the Texas Natural Resource Conservation Commission to improve air quality in the Houston-Galveston ozone nonattainment areas. TWOA continues to work closely with the Houston-Galveston Area Council to reduce emissions from tank barges operating in Texas, and the Barge Emissions Working Group strengthened this partnership by working with TCEQ in 2009 to include the BMP in the "Weight of Evidence" section of Texas' State Implementation Plan (SIP). This inclusion further validates the BMP as an effective voluntary tool to reduce emissions in the state.

Washington

In 2007, AWO began working with the Port of Seattle to implement the group's emissions reduction plan in Puget Sound. The opportunity afforded all stakeholders the chance to demonstrate innovative strategies for achieving emission reductions. AWO member companies operating in Puget Sound began using ultra-low sulfur diesel (ULSD) fuels in their vessels and tested the use of other types of clean-burning fuels as well. Vessels operating on Puget Sound also began reducing speeds to cut back on emissions. In turn, the Port accommodated industry by developing alternative docking procedures to help vessels limit idling time.

AWO member Foss Maritime, operating out of Seattle, unveiled its Hybrid Tug in 2008. The tug design was given EPA's Clean Air Excellence Award for Clean Air Technology that same year. Other AWO companies have also explored integrating hybrid technologies into their business models. While the hybrid tug is still an untested concept in many operating conditions, it has garnered considerable interest from tugboat companies as a way to further reduce their carbon footprints.

Northeast and Mid-Atlantic Diesel Collaboratives

In 2008, AWO became involved in the Northeast and Mid-Atlantic Diesel Collaboratives. These partnerships have given AWO the opportunity to communicate with EPA and other freight transportation sectors from 14 states along the Atlantic Coast. Until recently, most government-industry partnerships were built around surface transportation sectors like trucking and rail. The towing industry, which has a smaller carbon footprint per cargo moved than any other transportation sector, understands EPA's focus on surface transportation. The Diesel Collaboratives have given AWO a forum to educate stakeholders about the tugboat, towboat and barge industry and keep AWO members informed about grant opportunities being offered to facilitate emission reductions.

Beyond AWO's work with the Diesel Collaboratives, many of our Atlantic Coast members have participated in engine repower programs offered in New York and Maryland. As in Texas, many operators consider these programs among the most efficient, cost-effective ways to reduce

emission levels from marine engines. AWO continues to encourage its members to take advantage of repowering grants.

Future Initiatives

In 2009, AWO members continued to work proactively on initiatives to reduce air emissions wherever possible. In addition to the support the Barge Emissions Working Group gave TCEQ in the development of Texas' SIP in spring 2009 and its work with MSCHD on its barge emissions study this fall, AWO has worked to maintain productive relationships with state environmental agencies across the country.

During AWO's Spring Convention in Arlington, VA in April 2009, the Inland Liquid Sector Committee directed the Barge Emissions Working Group to review, update and improve the Tank Barge Emissions BMP in an effort to continue to be proactive on air emissions. In response, the Working Group developed a revised BMP matrix, which identifies areas of activity that can accomplish emission reductions. AWO plans to submit these revisions to Coast Guard and state partners for review in 2010. Attached to this letter I have included a list of AWO members whose participation on the Barge Emissions Working Group has been so vital to what we as an industry have been able to accomplish.

The Texas Transportation Institute's report, titled "A Modal Comparison of Domestic Freight Transportation Effects on the General Public," found that waterways transportation is the most environmentally friendly mode of commercial freight transportation. This study highlights where we are now. The towing industry looks forward to future work to decrease air emissions.

We greatly appreciate the opportunity to partner with state agencies on important environmental issues and to continue to work with EPA. It's through these dedicated efforts that we intend to improve our environmental record. Thank you very much for helping us to realize this goal. If you have any questions, please do not hesitate to contact me.

Sincerely,

Lynn M. Muench

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Attachment: Members of the AWO Barge Emissions Working Group

AWO Barge Emissions Working Group

The Barge Emissions Working Group collaborates with the Coast Guard, state agencies and industry committees to stay on the forefront of air quality improvement. The groups' activities include developing and improving, as necessary, tank barge Best Management Practices to reduce inadvertent emissions and developing state partnerships to identify and resolve potential air emissions issues.

Representative	**AWO Member Company**
Brian O'Daniels (Chair)	Florida Marine Transporters, Inc.
Blake Beall	Kirby Inland Marine, LP
Jim Farley	Kirby Inland Marine, LP
Jim Fletcher	TEAM SERVICES, LLC
Robert Goolsby	Kirby Corporation
Matt Holzhalb	E.N. Bisso & Son, Inc.
Amy Husted	Kirby Corporation
Morgan Johnson	Kirby Corporation
Doug LeBlanc	Chem Carriers, LLC
Harry Nilsen	Canal Barge Company, Inc.
Andy Norval	Blessey Marine Services, Inc.
Robert Ory	Ingram Barge Company
Jerry Torok	American Commercial Lines
Odom Vaughn	Ingram Barge Company
Jeff Wood	Ingram Barge Company