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Jennifer A. Carpenter
President & CEO

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Mr. William Cody
Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, D.C. 20573

Re: Docket No. 20–10, Comments on
Conditions Created by Canadian
Ballast Water Regulations in the
U.S./Canada Great Lakes Trade

Dear Mr. Cody,

We appreciate the opportunity to comment on the Federal Maritime Commission's investigation regarding the conditions created by Canadian ballast water regulations on shipping in the U.S./Canada trade.

The American Waterways Operators (AWO) is the tugboat, towboat, and barge industry's advocate, resource, and united voice for safe, sustainable, and efficient transportation on America's waterways, oceans, and coasts. Our industry's fleet is 6,200 towing vessels and 33,000 barges strong and transit 25,000 miles of inland and intracoastal waterways, the Great Lakes, and the Atlantic, Pacific and Gulf coasts and provide a secure, safe, low-cost means of transportation for America's commerce. Our industry moves over 665 million tons of cargo each year, including more than 60 percent of U.S. export grain, energy sources such as coal and petroleum, cement, iron ore, and other bulk commodities critical to the U.S. economy. The industry is not only an integral part of the U.S. intermodal transportation system, but also the safest and most fuel-efficient, with the smallest carbon footprint of any mode of surface transportation. AWO's prior engagement with the U.S. Environmental Protection Agency and the U.S. Coast Guard to set standards for ballast water and other vessel discharges has been guided by our belief that the regulations must provide for a high level of environmental protection while also preserving the safety and economic efficiency of barge transportation.

Ten AWO member companies operate U.S.-flag vessels in the Great Lakes. On their behalf, we raise the following concerns about the impact of the Canadian ballast water regulations on their vessel operations.

The Application of the Final Canadian Regulation

The average age of the domestic towing vessel fleet and domestic barge fleet is 35 and 17 years old, respectively, according to the U.S. Coast Guard's *Flag State Control in the United States: 2020 Domestic Annual Report*. Vessels operating in the freshwater environment of the Great Lakes are particularly long-lived, with ages of up to 40 or 50 years; one articulated tug-barge unit that entered into service in 1999 was partially converted from a bulk carrier that was built in 1953. As a result, it is very likely that many Great Lakes towing vessels and barges constructed before 2009 will be in service in 2030 and will be required by the final Canadian regulation to install ballast water treatment systems in order to continue to engage in U.S./Canada trade.

The Impact of the Final Canadian Regulation

Repair/Design Impacts

Towing vessels have unique physical and operational constraints that make the installation and operation of existing ballast water treatment systems impractical – in particular, relatively small volumes of ballast water, very low ballasting rates, and very limited size. The installation of ballast water treatment systems on barges also presents significant logistical challenges because barges typically do not have their own source of power and most are unmanned. Given these limitations, the process of identifying and procuring a workable ballast water treatment system, developing plans to retrofit the vessel to accommodate the system and analyzing its impacts on the vessel's safety and stability, and entering into a contract with a shipyard to do the work will take considerable time, effectively advancing the compliance deadline by at least two to three years. Additional, time-consuming approvals from recognized classification societies and the U.S. Coast Guard may also be required if significant changes to the vessel are needed to install the system. The total costs of compliance of the final Canadian regulation, inclusive of the cost of the ballast water treatment system and the cost to retrofit the vessel, will be over \$1 million per vessel.

Business Model Impacts

The duration of the average voyage of a towing vessel and barge is relatively short, and many loading and unloading operations on the Great Lakes take place within short windows of time. To operate the ballast water treatment systems that are currently type-approved by the U.S. Coast Guard, these vessels would need to increase the duration of their voyages and/or ballasting/deballasting operations by 25 percent or more in order to meet the necessary holding times and complete the treatment processes. This has the potential to cause extremely adverse impacts on the business model of both the vessel operator and the customer, as well as disruption of the supply chain. While we expect ballast water treatment technology to continue to evolve and improve, there is no certainty that a system that is capable of treating ballast water within or near to the timeframe of current operations will be commercially available and economically achievable by the time that U.S.-flag vessels operating in the U.S./Canada trade will be required to comply with the final Canadian regulation.

Conclusion

Thank you again for the opportunity to submit comments on the impacts of Canada's ballast water regulations on U.S.-flag vessels. We would be pleased to answer any questions or provide further information.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Carpenter". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Jennifer A. Carpenter