



June 19, 2018

Re: Letter of Understanding to participate in the voluntary 2018 Vessel Speed Reduction (VSR) Incentive-Based Program in the Santa Barbara Channel and San Francisco Bay Area Regions

Shipping Line _____ agrees to participate in the 2018 VSR program for grant funds administered by the California Marine Sanctuary Foundation. In order to receive funding Shipping Line _____ agrees to the following:

- 1) Identify all eligible vessels (i.e. container ships or Ro-Ros) in your company fleet that may transit the designated VSR Zones (refer to maps of VSR Zones in Attachment A) between July 1 and November 15, 2018. Please see the fillable PDF Sign Up Form (Attachment C) for all eligibility requirements.
- 2) For the Santa Barbara Channel region, all vessels expected to transit either the Western (south of the islands) VSR Zone or the Channel VSR Zone should be enrolled, regardless of historic speeds in these areas. See Attachment A for maps of VSR Zones, and additional information regarding routing.
- 3) For the San Francisco Bay Area region, all vessels expected to transit the Northern, Western, or Southern Traffic Separation Scheme (TSS) should be enrolled, regardless of historic speeds in these areas. See Attachment A for maps of VSR Zones, and additional information regarding routing.
- 5) If the company has vessels that call on the Port of Los Angeles and/or Port of Long Beach, the company must participate in one of the Ports' VSR programs.
- 6) Allow the respective air quality districts and sanctuaries to transmit to the California Marine Sanctuary Foundation a letter of payment approval.
- 7) Understand that if less than 10 percent of distance traveled by a company's vessels in a VSR Zone during the July 1 - November 15, 2018 time period is at 10 knots or less, there will not be a financial award. Furthermore, average speed through an entire VSR Zone must not exceed 12 knots in order to earn credit for distance traveled 10 knots or less. Different funding structures will be used for companies with large fleets (30 transits or more in the VSR regions during the time period) and small fleets (5-29 transits). The funding a particular company will receive will be based on the percent distance traveled, the size of the fleet, how many other shipping companies with fleets of that size were able to reach that percentage, and which VSR Zones were transited. The partners have less funding for the San Francisco

Bay area VSR Zones than for the Santa Barbara Channel region. Below are the award tiers for the Channel region, financial awards for the Bay Area may only be given at the highest levels.

Award Tiers for the Santa Barbara Channel Region:

Bronze: 10% or more of distance traveled at 10 knots or less

Silver: 25% or more of distance traveled at 10 knots or less

Gold: 50% or more of distance traveled at 10 knots or less

Sapphire: 75% or more of distance traveled at 10 knots or less

Funds within each award tier will be split among all companies eligible for each award tier.

8) Expect to receive a designated payment from the California Marine Sanctuary Foundation no later than March 1, 2019.

9) Allow for participation in public recognition campaigns - shipping lines that achieve at least 10 percent of distance traveled in the VSR Zones at 10 knots or less* will be recognized for their participation in the VSR program through various media, news releases, announcements, and award events.

** credit will only be given if average speed through an entire VSR Zone does not exceed 12 knots.*

10) Understand and agree that decisions concerning safe navigation and maneuvering of participating vessels remain entirely with ship masters and crew. The Santa Barbara County Air Pollution Control District, Ventura County Air Pollution Control District, Channel Islands National Marine Sanctuary, Bay Area Air Quality Management District, Cordell Bank National Marine Sanctuary, Greater Farallones National Marine Sanctuary, Monterey Bay National Marine Sanctuary, and California Marine Sanctuary Foundation are not liable for any loss, damage, or harm resulting from participation in this Vessel Speed Reduction Incentive Program.

11) Understand that the 2018 VSR program is strictly voluntary. If unable to meet the program criteria, there is no penalty. However, financial incentives will not be awarded.

For more information on the VSR program, including a promotional film titled: "Protecting Blue Whales and Blue Skies," please visit <https://www.ourair.org/air-pollution-marine-shiping/>.

Please return this signed Letter of Understanding and Sign Up Form **by fax or email** to Lindsay Marks at Channel Islands National Marine Sanctuary by June 30, 2018 if possible but no later than **July 10, 2018**.

Lindsay Marks
Fax: [805-893-6438](tel:805-893-6438)
lindsay.marks@noaa.gov

In signing this Letter of Understanding, the undersigned recognize and accept the roles and responsibilities assigned to each party.

Signature: _____ Date: _____

Dennis Long, Executive Director
California Marine Sanctuary Foundation

Signature: _____ Date: _____

Name: _____

Position Title: _____

Shipping Line: _____

Email address: _____

Phone: _____

Please direct questions or comments to Lindsay Marks:

lindsay.marks@noaa.gov
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University of California, Santa Barbara
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Phone: [805-893-6425](tel:805-893-6425)