CSL International Testimony before the Subcommittee on the Coast Guard and Maritime Transportation

House of Representatives Committee on Transportation & Infrastructure

Revisiting the North American Emission Control Area for Coasting Vessels less than 20,000 Horsepower

April 26, 2012

Paul Cozza, President, CSL International

Testimony of Paul Cozza
President, CSL International

before the

Subcommittee on the Coast Guard and Maritime Transportation
House of Representatives Committee on Transportation and Infrastructure

Regulation of the Maritime Industry:
North American Emission Control Area Challenges to Short Sea Shipping

April 26, 2012

I. Introduction

Good morning Chairman LoBiondo, Ranking Member Larsen, and distinguished members of the Subcommittee. Thank you for inviting me to testify. I am Paul Cozza, President of CSL International. We are a U.S.-based shipping company, concentrating in Self Unloading Bulk ships on international Short Sea routes. We are headquartered in Massachusetts, and are a subsidiary of Canada Steamship Lines based in Montreal.

CSL International specializes in the marine transportation and handling of dry-bulk. We also have offices in the U.K., Norway, Singapore, Australia, Indonesia, and Canada. We own and operate the largest fleet of self-unloading vessels in the world, serving clients in industries ranging from building and construction to agriculture. Self-unloading vessels serve a special sector of the dry-bulk shipping industry, with their self-contained and automated equipment offering high levels of speed, efficiency and environmental advantages.

I appreciate the opportunity to appear before you today to make two main points:

First, I will demonstrate the economic contribution and environmental value of the Short Sea Shipping industry. In summary, Short Sea Shipping is the coastal movement of cargo on the water that does not cross an ocean and could also in some instances be served by rail or truck transportation. We are able to transport cargo more efficiently and with far lower environmental impacts than trucks or trains. For instance, while a truck can carry one ton of cargo approximately 155 miles on a gallon of diesel fuel, and a train can transport that same cargo 413 miles, an average CSL vessel can outperform both, moving the cargo an impressive 1100 miles on that same gallon of fuel. Nevertheless, CSL is presently engaged in a major effort to recapitalize our fleet to make it even "greener."

Second, I would like to bring to the Subcommittee's attention the impact the North American Emission Control Area ("ECA") will have on our industry and offer a solution that achieves equivalent environmental goals without sacrificing the environmental benefits that Short Sea Shipping provides. Implemented under Annex VI of the International Convention to Prevent Pollution from Ships ("MARPOL"), the ECA establishes sea-going vessel air quality standards for a 200-mile area around the coastline of the U.S. and Canada and sets limits on the sulfur content of fuel used within the ECA. The ECA standards are far more strict than will be imposed anywhere else in the world, both in terms of the distance the ECA extends from shore and the level of permitted fuel sulfur content. We are concerned the 200-mile ECA is too

stringent for some vessels and may not provide any appreciable environmental benefit beyond 50 miles for lower horsepower ships, such as CSL's and those of other Short Sea Shipping companies.

More specifically, by August 1, 2012, sea-going vessels operating in the ECA must use fuel with no more than a 1% sulfur content. We at CSL are prepared to meet and support that standard despite the resulting, not insignificant, increase in operating costs. The 2012 fuel price impacts, for CSL as an example, while sustainable, will still be measured in millions of dollars.

By August 1, 2015, in accordance with the aforementioned Annex VI agreement, vessels operating within the ECA will be required to use an ultra-low 0.1% sulfur fuel which is a marine diesel. Significantly, prices for this ultra-low sulfur fuel—to the extent the fuel is available—will raise our cargo rates and challenge our business and more importantly the customers we serve. Marine diesel fuel has different flash point specifications than road diesel which means we can't simply adjust to a "generic" low sulfur diesel fuel. Because we trade in near-shore routes, typically not beyond 100 miles from the coast, our vessels must use the reduced sulfur fuel nearly all the time, as opposed to trans-ocean-going vessels which only need this fuel when transiting the ECA on the way into and out of port, which in many cases only represents less than 10% of a voyage. Outside the ECA, ships may use up to 3.5% sulfur fuel.

Although well-intended, flaws in current ECA regulations will jeopardize the Short Sea Shipping sector. Indeed, based on supply issues, we are concerned that compliant North American marine fuel prices could nearly double in 2015. The anticipated increase in 2015 fuel costs using the ultra-low sulfur fuel will hamper marine competition and could cause a modal shift from energy efficient short sea ships to higher emitting shore-based rail and truck modes, with the unintended consequence of creating more congestion (in systems that, in many cases, are already stretched to their breaking points) as well as increased air pollution closer to population centers.

CSL, working in concert with our customers, also forecasts that the resulting higher transportation costs in 2015 will negatively affect their businesses. Approximately two-thirds of the cargo that we ship is in support of the construction industry in the U.S.; therefore, this regulation mandated cost increase has strong potential to negatively impact both commercial and residential economic development in the U.S.

CSL fully recognizes and supports the value of reducing its carbon footprint as well as emissions of other pollutants associated with marine transport. To better understand the self-unloading vessel's impact on air quality, we commissioned a study to analyze our ships' emissions using the emissions modeling approach (the "CALPUFF" model) that the U.S. Environmental Protection Agency ("EPA") itself used in the ECA development process. The study indicated that air quality impacts from lower horsepower ships diminished as the ships moved further away from the coast – with a sharp drop in impact at about 39 miles offshore.

Given these facts and objectives, CSL International believes efforts should be made to align the environmental goals of the ECA with the U.S. Maritime Administration's ("MarAd") 2010 Marine Highway Program. This program seeks to "use the waterways to relieve landside congestion and attain other benefits that waterborne transportation can offer in the form of reduced greenhouse gas emissions and energy savings."

As MarAd further explained, "From an environmental perspective… short sea shipping can offer air quality improvement, reduce traffic and mitigate noise pollution."[1]

Accordingly, we urge policy makers, namely Congress and the EPA in consultation with the U.S. Coast Guard and MarAd, to revisit the ECA boundary and reduce the 200 nautical mile ECA to 50 miles for 0.1% sulfur fuels (in 2015) for lower emitting ships of 20,000 horsepower and below. This revision will move away from the current "one size fits all" regulation and align with scientifically based approach which achieves the same environmental protection goals.

In summary, CSL supports and endorses environmental initiatives in marine transportation. For over 150 years, the CSL Group has pioneered technology that makes seaborne dry-bulk transportation more environmentally efficient. We are investing millions of dollars in a fleet renewal program that will significantly reduce our environmental footprint. We also firmly believe that the aforementioned ECA regulations, as presently prescribed, need to be modified as outlined. Through scientific testing, our proposal does not have a negative environmental impact on the coast and will not contribute to a modal-shift impacts or negative economic impacts to the building and construction industry.

If you would like further information, I have left our full report and additional details in a longer written testimony. Thank you very much for this opportunity. I will be pleased to answer any questions that you have.

II. CSL International

CSL International has been permanently established in Beverly, Massachusetts since 1992. CSL International owns, co-owns, or manages through a pool agreement, 41 ships, most of which operate in North America. In addition to managing the extensive North American fleet, CSL International also oversees its international operations with offices in the United Kingdom, Norway, Singapore, Indonesia, Australia and Canada. Through Short Sea Shipping routes, CSL serves major North American industrial customers such as U.S. Gypsum, National Gypsum, GP Gypsum, Martin Marietta, Vulica, Polaris Materials, and RG Steel, to name a few.

Recognizing the environmental benefit, CSL has also already started using fuels with lower sulfur well ahead of international requirements. Last year, CSL's fleet averaged fuel sulfur levels under 2.2% when the world standard was 4.5%. We are still ahead of the curve even with a recent global fuel sulfur reduction to 3.5% which started in January of 2012.

Moreover, to improve our efficiency and further reduce our environmental footprint, we are currently recapitalizing our fleet with nine new state-of-the-art "Trillium"-classed ships. They will be equipped with the latest environmental protection technology and the lowest available emission engines. Our first new vessel will start trading on the East Coast this Fall. It will be among the cleanest-operating vessels on the market. The massive new building project is relatively unprecedented, especially in our current economy, but we think the time is right to enhance the efficiency and sustainability of our fleet.

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[1] Making Connections: Short Sea Shipping in Canada; Transport Canada, 2006 page 1

III. Short Sea Shipping's Environmental and Economic Value

CSL also founded the Short Sea Shipping Coalition in 2011 to promote the environmental benefits of short sea trade. The informal coalition is comprised of industry leaders who depend on Short Sea Shipping, as well as short sea providers and non-government agencies. The coalition promotes tough, performance-based air emission standards for smaller and efficient vessels in the short sea trade. Current partners in the Short Sea Shipping Coalition include:

- CSL International
- Martin Marietta
- Polaris
- Vulica
- U.S. Gypsum
- Desgagnsé Transport

A. Short Sea Shipping's Environmental Value

Sometimes referred to in the U.S. as the "marine highway," Short Sea Shipping is the movement of people and cargo on water routes that do not cross an ocean that, in some instances, could also be served by truck or rail. Due to its coastal nature, North American Short Sea Shipping is commonly comprised of vessels Panamax size and smaller (can transit the Panama Canal (approximately 60-80,000 deadweight tons and 800+ feet in length)), typically not exceeding 20,000 propulsion horsepower. Short Sea Shipping is an important component of the global strategy to improve air quality by reducing land based congestion and subsequent air pollution from less efficient truck and rail carriers.

Policymakers have undervalued the inherent environmental value in transporting people and cargo via ship in the creation of the North American ECA. Marine transport offers three main environmental benefits: (1) increased energy efficiency, (2) decreased carbon and sulfur dioxide emissions, and (3) reduced congestion, especially in urban areas.

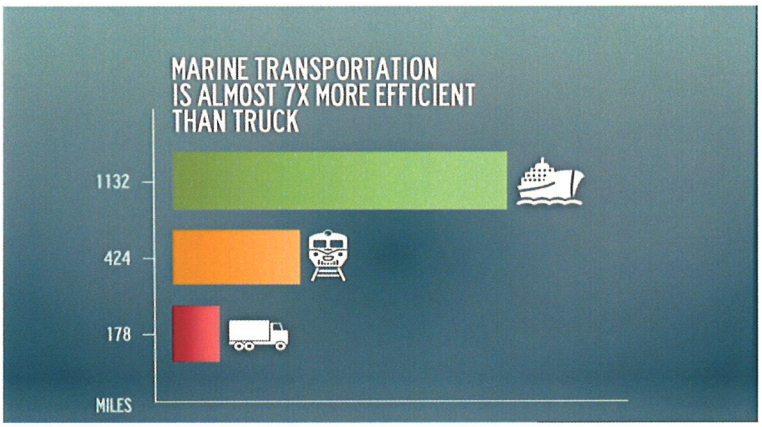
B. Modal Comparison

Regarding energy efficiency, according to Maritime Administration's 2011 Report to Congress:

- "Trucks, on average, can carry one ton of freight for approximately 155 miles on a gallon of diesel fuel (i.e., 155 ton-miles of freight per gallon - equivalent to 842 British Thermal Units (BTU) per ton-mile);
- Rail achieves 413 ton-miles of freight per gallon (i.e., 316 BTU per ton-mile); and
- A tug-and-barge operation can get as much as 576 ton-miles of freight to a gallon of fuel (227 BTU per ton-mile)."

Additionally, self-propelled oceangoing vessels, such as short sea ships, can have significant energy efficiencies over land-based modes beyond those achieved by tug and barge. Specifically, **our vessels achieve rates in excess of 1,100 ton-miles of freight per gallon .** This mode of transport is thus seven times more efficient than truck and two-and-a-half times more efficient than the rail industry.

While the aforementioned was offered in the Maritime Administration's 2011 Report to Congress, the below image represents a separate analysis by CSL which shows the same trends.



CSL Vessel Ton-miles per Gallon

Further, as "the most energy-efficient means of moving cargo between two points," marine transport "offers corresponding reductions per ton-mile in greenhouse gas (GHG) emissions." In fact, examining the range of typical CO_2 efficiencies for various loaded cargo carriers; bulk ships produce an average of 2.7 grams of CO_2 per ton-mile while trains range from 10-119 grams per ton-mile. Trucks, by comparison, are the most inefficient of the transportation options ranging from 80-181 grams of CO_2 per ton-mile (data excerpted).[2] Overall, "international shipping is currently estimated to have emitted 870 million tons of CO_2 in 2007, no more than about 2.7% of the global total of that year."

According to the Maritime Administration's report to Congress delivered in April 2011, water transportation "is available to bring significant freight congestion relief along certain corridors. A study for U.S. Department of Transportation estimated that there were a total of approximately 78.2 million trailer loads of highway and rail intermodal cargo that moved between origins and destinations 500 miles apart along the United States contiguous coasts in 2003. This long-haul coastal truck and intermodal traffic accounted for 15 percent of total 527 million trailer loads of United States intercity truck and intermodal rail traffic in 2003."

C. Short Sea Shipping's Economic Value

In addition to its environmental benefits, the short sea shipping industry is also an important contributor to the North American economy. Based on an October 18, 2011 study titled: "The Economics of the Great Lakes - St. Lawrence Seaway System."

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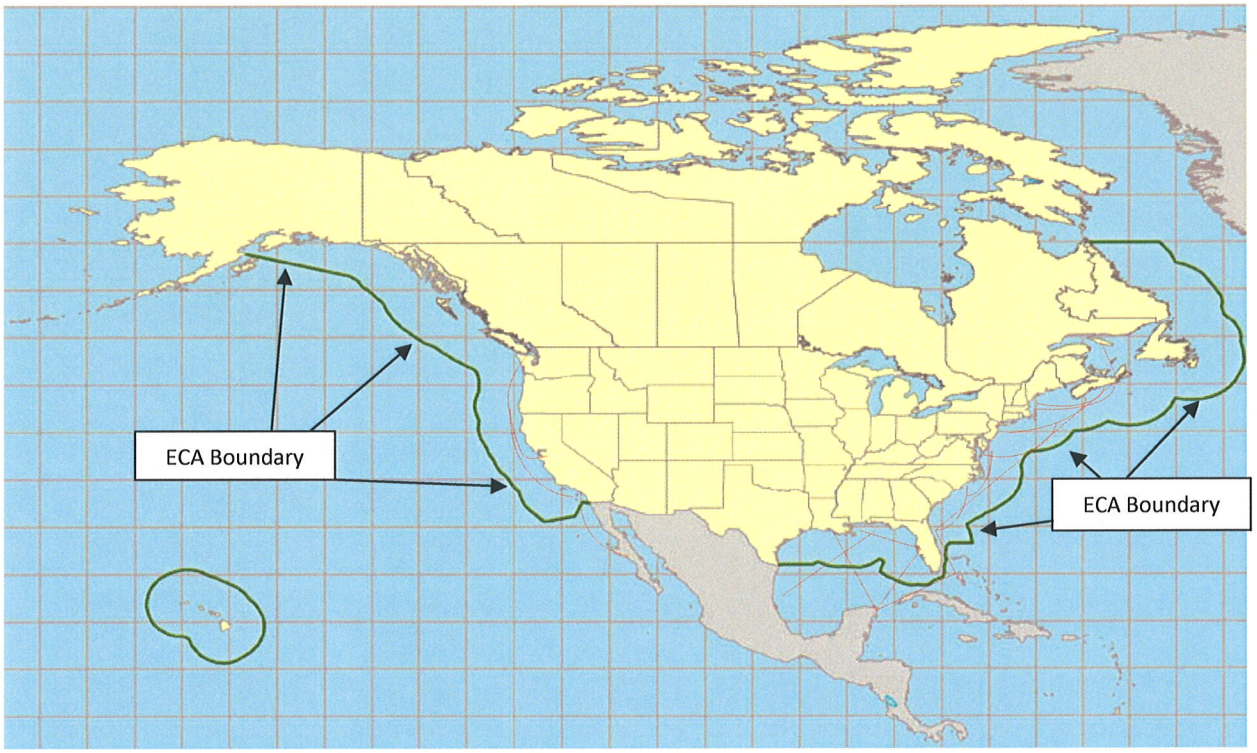
2 MEPC 59/INF.10 ANNEX; April, 2009

Short Sea Shipping on the Great Lakes alone annually contributes –

- $33.6 billion in economic activity;
- 227,000 United States and Canadian jobs; and
- $4.6 billion in United States and Canadian tax revenue

Additionally, Short Sea Shipping services many important domestic trade routes, moving a wide range of dry bulk cargo efficiently and affordably. Some of these trade routes are set forth below:



Typical North American Short Sea Routes

IV. Regulatory Background MARPOL Annex VI and the ECA

MARPOL Annex VI seeks to minimize airborne emissions from ships including Sulfur Oxides (SOx), Nitrogen Oxides (NOx), Ozone Depleting Substances, Particulate Matter (PM), and Volatile Organic Compounds.

Annex VI has been implemented along the following timeline:

1997: Annex VI (Regulations for the Prevention of Air Pollution from Ships) was added to the MARPOL Convention.

2005: The requirements of Annex VI internationally entered into force on May 19. Among the various technical and operational emission reducing measures outlined in Annex VI is the option for member states to establish ECAs in their domestic waters.

2005: Canada domestically ratified Annex VI allowing domestic enforcement and the eligibility to apply for any ECA.

2008: The United States ratified Annex VI.

2009: Annex VI entered into force domestically on January 8, making the United States eligible to domestically enforce the Annex and also to apply for an ECA. In the United States, Annex VI is applied via the Act to Prevent Pollution from Ships, 33 USC. §§ 1901 *et seq.* ("APPS").

2010: The International Maritime Organization (IMO) approved a joint application by the United States and Canada for the creation of an ECA via Marine Environment Protection Committee (MEPC) 59/6/5 entitled "Proposal to Designate an Emission Control Area for Nitrogen Oxides, Sulfur Oxides, and Particulate Matter."

As explained above, the North American ECA is designed to reduce air pollution from shipping beyond the scope required for most portions of the globe. Strict 1% sulfur in fuel requirements will take effect in the new 200 nautical mile North American ECA on August 1, 2012. Starting in 2015, however, the ECA fuel sulfur limit is mandated to be not more than 0.1 percent. By comparison, a world-wide fuel sulfur limit of 0.5% takes effect in the year 2020.

In comparison, the U.S. adopted an ECA for the Caribbean Sea area around Puerto Rico in July 2011 with a geographical area of approximately 40 x 50 nautical miles. The U.S. used very similar environmental and health statistics to justify the 50 nautical mile ECA for this region as it did when justifying the 200 nautical mile North American ECA on both coasts of the United States and Canada.

V. Independent Study

In an effort to best understand the ECA-related air quality issues, the Short Sea Shipping Coalition commissioned Drs. Ranajit Sahu and H. Andrew Gray to formally study low horsepower ships as a demographic of the larger maritime community for which the ECA was designed. (Dr. Sahu's and Dr. Gray's curriculum vitae are included in Exhibit A of the Report, and a copy has been formally submitted to the Subcommittee for the record.) The resulting report, entitled *Modeling the Air Quality Impacts of Short Sea Shipping Emissions and the Implication for the North American Emission Control Area (ECA)*, analyzes short sea ship emissions using the same CALPUFF and meteorological modeling the EPA used to justify the current 200 nautical mile ECA. Additionally, 12 ships were selected to represent the "typical" short sea shipping vessel (from a propulsion horsepower perspective and therefore emissions basis). The study analyzes the impact of "worst case" short sea shipping vessels' emissions data on shore air quality.

The study indicates that the smaller ships (with corresponding lower horsepower propulsion systems) used in short sea trades, have virtually no environmental impact on the East or West Coasts of North America beyond 50 miles. More specifically, the results indicate that ships fitted with propulsion systems of 20,000 horse power (14,913 kW) or less had no (or negligible) air quality impact on the coasts even when using fuel with a sulfur content of 2.6% (*i.e.*, with concentrations that the fuel CSL International currently uses) at 50 miles and beyond.

In addition to the greenhouse gas emissions discussed above, our sponsored study focused on sulfur dioxide (SO_2), the major pollutant whose emissions will be affected by the fuel sulfur requirements in the ECA.

A. The SO_2 Standard

As background, the U.S. EPA has promulgated various National Ambient Air Quality Standards (NAAQS)[3] and thereby defined acceptable levels of major air pollutants, including for SO_2 in the ambient air to which the public has general access. The purpose of the NAAQS is to protect the public health, including the health of "sensitive" populations such as asthmatics, children, and the elderly. The SO_2 NAAQS were recently (June 2010) modified to add a 1-hour average standard of 75 parts per billion (ppb). This corresponds to a concentration of 196 micrograms per cubic meter. It is currently the most stringent SO_2 standard in the U.S.

B. Analysis

Our analysis conservatively predicts that SO_2 concentrations are well below the numerical value of the 1-hour SO_2 NAAQS even when ships are at port. Moreover, this prediction is based on applying a fuel sulfur level of 2.6%, which, as stated above, is expected to drop to 1% fuel sulfur level in August 2012. The study also indicates that SO_2 concentrations along the coasts drop off dramatically as the distance from the ship to shore increases. Thus, based on the modeling analysis, the outward extent of the ECA could be much smaller (on the order of 50 miles or smaller), while still not adversely impacting coastal air quality.

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[3] See http://www.epa.gov/air/criteria.html

1. Eastern Domain

The largest ship (in terms of rating) used in the study for the eastern domain has an engine size of approximately 12000 kW. For a 12000 kW engine, the maximum hourly SO_2 emissions using 2.6% sulfur in fuel is 9.91 * 12000/1000 = 120.6 kg/hr. The SO_2 emission rate using 1% sulfur in fuel is 3.81 * 12000/1000 = 46.4 kg/hr.

The calculated SO_2 rates above are also conservative in that the engine load is typically 75% of its maximum power during a voyage (as opposed to 100% assumed in the study), and which is even lower as the ship approaches port. While in port, engine power may be a small fraction (20% to 40%) of its maximum power. Thus, the actual SO_2 emission rates would be 20% to 75% of the rates calculated in the study or in the range of 24 kg/hr - 95 kg/hr for a 12000 kW ship with 2.6% sulfur in fuel and in the range of 9 kg/hr - 35 kg/hr for this same 12000 kW ship with 1% sulfur in fuel.

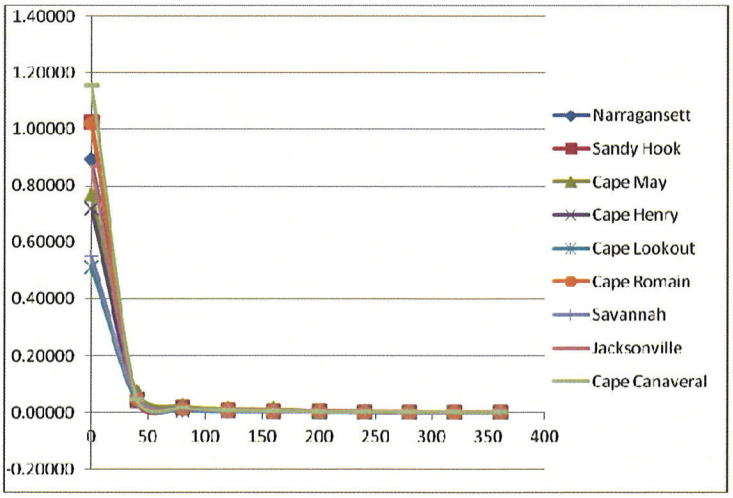
2. Western Domain

Similarly, the largest ship studied in the western domain is rated around 11500 kW. Using the same types of calculations above, the range of SO_2 emissions from a ship of this size will be 23 kg/hr - 91 kg/hr (maximum of 114 kg/hr) with 2.6 % sulfur in fuel and in the range of 8.6 kg/hr - 34 kg/hr (maximum of 44 kg/hr) with 1% sulfur in fuel.

3. Results

Using the highest expected SO_2 emission rate discussed above of 120.6 kg/hr (for the **largest** ship, at **maximum power**, emitting at exactly the meteorological conditions that would provide the **highest impact**, and assuming a fuel sulfur content of **2.6%**), the highest modeled port 1-hour SO_2 concentration would be 1.156*120.6 = 139.4 micrograms/cubic meter**: far lower than even the numerical value of the EPA SO_2 NAAQS of 196.**

The results demonstrate how insignificant the impact of these short-sea ships is on coastal air quality.



East Coast Offshore SO_2 Dispersion

VI. Creating a "Win-Win"

The anticipated significant fuel cost increase in 2015 may trigger a modal shift, causing an unintended increase in land-based congestion and emissions that far exceed current short sea emissions.

This can be avoided by reducing the 2015 ECA to 50 miles for 0.1% sulfur fuels in 2015 for smaller ships.

A reduction in the ECA boundary for the 0.1% sulfur fuels in 2015 will deliver the same environmental benefits suggested while supporting an industry which is already a greener alternative. The flexibility in fuel options will assure economic sustainability to those companies already under strain from the recent recession.

A. Maximize the Marine Highway Program

The North American ECA, as currently defined, stands as an obstacle to realizing the environmental and economic potential of the Marine Highway Program. Again, referencing MarAd's 2011 Report to Congress, "Between 1980-2003 the tons per mile moved by inter-city truck increased by 128%. Also during this period, vehicle miles in the United States have increased by 50% creating more road congestion and noise than ever before."

Considering an average long haul truck can carry 26 tons of cargo and a Handy Size (approximately less than 60,000 dead weight tons with a length of 550-650 feet) short sea vessel can carry a pay load of over 50,000 tons, the short sea trade removes 1,923 trucks from American and Canadian roads, easing congestion and the emissions they produce. Similarly, the same ship would remove 819 rail cars, assuming a capacity of about 61 tons per rail car.

Enhanced Short Sea Shipping has the potential to keep additional low efficiency trucks from the road; lessen higher emitting rail volume; and improve social benefits including reduced road congestion and noise – all while maintaining the improved marine air quality standards called for in Annex VI. Unfortunately, this potential will not be realized if the industry is forced to comply with the ECA as it currently exists.

B. Precedents for Effective Alternatives

There have been several other examples of recent practical solutions entertained by the EPA, Transport Canada and Environment Canada in achieving mutual clean air goals.

1. Steamship Exemption

Following the adoption of Annex VI and the creation of the ECA, the United States recognized, the unique challenges faced by older steamships. The older vessels' obsolete technology proved to be incompatible with using ultra low sulfur marine distillate fuels. Thus, the United States formally exempted the entire demographic of steamships from the ECA requirements until 2020.

The United States' submission[4] to the IMO was adopted at the 62nd session of the Marine Environmental Protection Committee in July of 2011.

2. Great Lakes Steamship Repower Incentive Program

Again, as the environmental and economic realities of the North American ECA continued to be assessed, the EPA recognized the environmental advantages of waiving the lower sulfur fuel requirements for Great Lakes steam ships [that were] repowered with more efficient modern diesel propulsion. In January of 2012, the EPA amended Title 40 Code of Federal Regulations Part 1043 to incentivize Great Lakes steamship owners "to repower those steamships with cleaner marine diesel engines. The simplified program will automatically permit the use of residual fuel, through December 31, 2025, in a steamship if it has been repowered with a certified Tier 2 or later marine diesel engine, provided the steamship was operated exclusively on the Great Lakes and was in service on October 30, 2009." [5]

3. Fleet Averaging

Transport Canada, in an effort to ease devastating impacts to Canadian Great Lakes ship owners, proposed a Fleet Averaging Program which provides an alternative to improving air quality. The Fleet Averaging Program requires Canadian Great Lakes vessels to gradually reduce their fuel sulfur content from 2012-2020. The program permits a company's fleet of vessels to collectively meet pre-established annual fuel sulfur targets through the use of lower sulfur fuels, exhaust gas treatment, or a combination of measures. Transport Canada will oversee and monitor the industry to assure compliance. By 2020, each ship must individually meet the ECA 0.1% fuel sulfur content standard.

C. Recommendation

As responsible carriers, CSL and the Short Sea Shipping Coalition proudly support and promote the North American ECA. If properly drawn, it can serve as a valuable tool to reduce maritime contributions to global emissions. For the reasons set forth above, we seek to align the 2015 ECA to a sustainable size while exceeding air quality goals set by the EPA and Environment Canada through a performance-based approach.

Our study indicates that vessels of 20,000 horsepower are capable of meeting and exceeding desired air quality goals when using fuel with sulfur content of 2.6% at a distance of 50 miles. Therefore, we recommend:

- a 200 nautical mile ECA for 1% sulfur fuels, effective August 1, 2012 (as currently accepted);
- a submission to the IMO Marine Environmental Protection Committee; an amendment to reduce the North American ECA to 50 miles for 0.1% sulfur fuels on vessels of less than 20,000 horsepower in 2015; and

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4 MEPC 61/7/6; U.S., July 19, 2010

5 Federal Register 77 FR 2472; U.S. EPA, January 18, 2012

- a mechanism to indemnify vessel owners who are unable to purchase low sulfur (0.1% sulfur) fuel due to regional unavailability.

This alternative dovetails with the Maritime Administration's 2010 Marine Highway program and will best serve the coastal environment by comprehensively improving air quality while reducing risk, hazard, and inconvenience of over-used road and rail systems.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name: PAUL J. COZZA

(2) Other than yourself, name of entity you are representing:

CSL INTERNATIONAL

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

YES — **If yes, please provide the information requested below and attach your curriculum vitae.**

NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

NONE

Signature

April 13, 2012

Date

CSL
INTERNATIONAL

BIOGRAPHICAL DATA ON
Paul J. Cozza
President
CSL International

Paul is President of CSL International based in the North Shore Boston area. CSL International is an ocean shipping company specializing in specialty self-unloading vessels for bulk commodities. Presently serving customers in the Americas as well as having operations in Australia and Southeast Asia. CSL International is part of CSL Group Inc., a privately held company headquartered in Montreal, Canada.

Prior to joining CSL in 2007 Paul was Senior Vice President, Finance and Administration and Chief Financial Officer of Maersk Line, Limited (MLL). Maersk Line, Limited is part of the A.P. Moller-Maersk Group and specializes in transportation services for the U.S. Department of Defense. While in this capacity he was responsible for all finance and administrative-related functions as well as overseeing the Business Planning, Information Technology and Purchasing departments within the company.

Prior to joining the Maersk group, Paul held the following positions with Sea-Land Service, Inc., formerly a subsidiary of CSX Corporation: Vice President, European Operations; Director, Pacific Services, Line Management; Director, Americas Services Line Management; Director, Corporate Financial Planning and Manager of Financial Planning.

Prior to 1990, Paul held various general management positions with AT&T and Lucent Technologies. After graduating from West Point, he served in the U.S. Army as an aviation officer. Paul also holds a civilian pilot's license.

He holds a B.S. in Aerospace Engineering from U.S.M.A., West Point and an M.B.A. from Fairleigh Dickinson University and is a graduate of the Executive Business Program at the University of Michigan.

Paul is married to Kathy and they have two children and reside in Wenham, Massachusetts.