

Pier 3, Hornblower Landing
San Francisco, CA 94111
CityExperiences.com



November 15, 2021

California Air Resources Board
1001 I Street
Sacramento, CA 95815

RE: Commercial Harbor Craft Regulation

Dear California Air Resources Board Members and Staff,

Thank you for the opportunity to work together and provide comments on CARB's proposed Commercial Harbor Craft Regulation Amendment. For over three decades, Hornblower has been at the forefront of researching, developing, and implementing emissions-reducing solutions across a full-spectrum of propulsion systems including: hybrid-electric, all-electric, energy efficient conventional engines, biofuels, and state-of-the-art hydrogen solutions. Hornblower understands CARB's goal to adopt maritime emissions-reducing technology, to improve air quality, and to achieve California's ambitious Climate goals. Hornblower appreciates CARB's outreach and the opportunity to be part of the rulemaking process.

As referenced in previous letters, COVID has devastated our industry. While segments of the maritime sector have thrived during COVID, such as ocean-going shipping vessels, other segments, such as harbor craft excursion vessels, have been decimated. The impacts of reduced tourism and stay at home orders have the California passenger/excursion maritime businesses on the verge of sinking. The persisting impacts of pandemic continue to limit business volumes and the jeopardize the financial sustainability of vessel owners and operators. While some industries have been able to bounce back faster, passenger/excursion fleets still suffer from significantly reduced tourism, which, unfortunately, is not expected to rebound for years. Current estimates are that it will take three years, until 2025, to achieve a return to pre-Covid economically sustainable conditions. Hornblower's California losses far exceed those in the other states where we operate. Covid displaced almost 90% of our California revenues in 2020, 65% of revenues in 2021, and is expected to displace 40% or more of revenues in 2022.

We appreciate CARB staff working with the industry to develop the proposed Commercial Harbor Craft Regulation Amendment and the recognition of hardships that the excursion craft sector confronts. Specifically, we appreciate the proposed inclusion of the "Force Majeure" provision that provides compliance flexibility for vessels and operators facing unforeseeable event, including pandemics. Thank you also for the proposal for In-use engines rated below 600 kW that meet Tier 3 standards before January 1, 2023 to retrofit with a DPF and meet Tier 3 + DPF standards by the nominal compliance dates.

However, the most significant near-term impact will be the change to the Low Use Exemptions prior the industries, including Hornblower, rebound from the devastating impact of COVID. With sustainable economic conditions not expected until 2025, delaying the implementation of



the new Low Use Exemption levels for a period of 24 months would greatly benefit vessel owners and operators without significant impact due to the limited hours of operation.

City Experiences anchored by Hornblower looks forward to continuing to be a leader in demonstrating and commercializing advanced marine technologies and reducing emissions. We look forward to continuing to work with ARB staff to achieve the goals of the Commercial Harbor Craft Regulation Amendment and sustainably providing water-dependent coastal experiences for Californians and tourists from around the world.

Sincerely,



Scott Smith

Senior Vice President of Marine Operations
Hornblower Group