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June 2, 2022

Liane M. Randolph Chair California Air Resources Board 1001 I Street Sacramento, CA 95814

RE: 15-Day Comment Period on Proposed Amendments to the Commercial Harbor Craft Regulation

Dear Ms. Randolph,

Thank you for the opportunity to comment on the proposed changes to the Amendments to the Commercial Harbor Craft Regulation (CHC Reg) that would provide an additional extension pathway option through 2034 for Commercial Passenger Fishing Vessels.

The Bay Area Air Quality Management (Bay Area AQMD) fully supports the California Air Resources Board's (CARB) work in reducing emissions from marine vessels, addressing climate change, improving public health and especially cleaning the air breathed by California's most vulnerable populations.

However, we remain concerned that the proposed Amendment may create many unintended negative consequences, including hardships for marine vessel operators, many of whom were previously unregulated. While to CARB's credit, the new rule does include some much-needed flexibility for vessel owners with Tier 2 and cleaner engines, a large part of the Harbor Craft community with older engines will also need help. Based on the nearly 2,000 vessels that CARB estimates that will need to be upgraded or replaced as shown in CARB's Final Environmental Analysis (FEA), Appendix D1, prepared for the Proposed Amendments to the CHC Reg, updated Table D-1e., Yearly Repower and New Vessel Needs for the Proposed Amendments – the Bay Area AQMD believes that there may be a significant number of vessels with Tier 0 to Tier 2 engines that will not be able to comply with the regulation, even though they are making good faith efforts to upgrade.

The following list summarizes our concerns with the proposed compliance timeframes and the misalignment with existing state grant funding programs:

- 1. There are known global disruptions to the supply chain leaving vendors and customers without much negotiating power, inflated replacement engine prices and extremely long lead times (many 12 months or longer).
- 2. Based on the approximately 2,000 vessels CARB estimates that must be replaced or upgraded, these compliance deadlines may be overburdening the limited shipyards and boat builders, significantly impacting the ability for vessels to come into compliance.
- 3. Projects that are upgrading to an uncertified hybrid-electric engine or zeroemission technology that apply for incentive funding will need special Case-

Ms. Randolph, CARB Page 2

by-Case review by CARB, which adds considerable time to the application process, which may potentially render these projects ineligible due to inability to meet the current Moyer Guideline surplus-time requirements.

4. Due to the fast-approaching compliance deadlines for many previously unregulated vessel types, there is little to no time for vessel owners to budget for the high costs of engine, hull extension, and full vessel replacement. With such limited time to replace the old engines, many of these vessels do not qualify for funding from state programs (i.e., Carl Moyer Program), further exacerbating the financial burden. Without incentive funding, many marine vessel operations will be unable to take on the financial burden of upgrading or replacing their vessels.

For this rule to be effective, the Bay Area AQMD asks CARB staff to consider reporting back to its Board on the progress of regulation implementation and on state incentive funding awarded to new marine projects post-adoption **beginning January of 2023**.

In parallel to the adoption of this rule, we also request that CARB consider expediting the update to Chapter 7: Marine Vessels of the Carl Moyer Guidelines. While it will not resolve all issues, at a minimum shortening the three-year surplus requirement for marine vessel projects can help operators are currently altogether ineligible for any amount of funding, and those who wish to leap-frog and adopt the cleanest but most costly technologies.

Finally, in addition to the extension pathways considered for Commercial Passenger Fishing Vessels, we request that CARB also consider granting a one-time up to three-year extension to operators in bar-pilot service with vessels having tier zero engines to allow them the time needed to upgrade directly to zero emissions engines and qualify for grant funding. There are only six ships in bar-pilot service in the Bay Area, and all shipping that flows through northern California depends on their availability quickly transport bar pilots to cargo ships.

If you or your staff have any questions about the Bay Area AQMD's comments, please contact Damian Breen, Senior Deputy Executive Officer by email at dbreen@baaqmd.gov or by phone at (415) 749-5041.

Sincerely,

-DocuSigned by:

Damian Breen for

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Sharon Landers

Interim Executive Officer/Air Pollution Control Officer

Bay Area Air Quality Management District

cc: Ms. Davina Hurt, Bay Area Air Quality Management District, Vice Chair and California Air Resources Board, Board Member