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Peter J. Schrappen, CAE  
Vice President – Pacific Region

August 12, 2023

Ms. Mirian Sandoval  
Air Pollution Specialist  
Mobile Source Control Division  
California Air Resources Board  
1001 I St #2828  
Sacramento, CA 95814

RE: Proposed Revisions to Carl  
Moyer Memorial Air Quality  
Standards Attainment Program  
(Carl Moyer Program)  
Guidelines, Chapter 7: Marine  
Vessels

Dear Ms. Sandoval:

The American Waterways Operators (AWO) appreciates the opportunity to comment on the proposed changes to the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program).

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 makes up the largest segment of the U.S.-flagged domestic maritime fleet and represents the most sustainable mode of freight transportation, producing 43 percent less greenhouse gas emissions than rail and more than 800 percent less than trucks. Tugboat, towboat, and barge operations are particularly significant in California, which ranks third among states in waterborne commerce by tonnage and fourth in economic impact, with more than \$12.2 billion in annual economic activity driven by the domestic maritime transportation industry. These vessels help move more than 239 million tons of goods each year, support more than 23,600 Californians' careers, contribute \$3.6 billion in labor income, and are a critical component of the supply chain.

AWO and its members are committed to working with the government to advance air quality goals and support most of the proposed changes to the Carl Moyer Program. We especially appreciate CARB's proposal to decrease the program's regulatory lead time requirement. Previously, projects were only eligible for funding if they were completed three years before their regulated compliance deadline. Shortening this timeframe to one year will significantly increase vessel owners' access to Carl Moyer program funding.

We also recommend the following changes to enhance the ability of the towing industry to further the goal of improved air quality:

1) Include Baseline Tier 3 Engine Eligibility

Table 7-2 currently does not include the option to fund "engine repower or remanufacture kit or vessel replacement compliant to EPA marine Tier 4" for vessels with existing Tier 3 technology. AWO requests that CARB amend this table to include these projects and provide them with an 85 percent maximum match, as is offered for other similar projects.

2) Add project flexibility to account for unforeseen delays.

The Commercial Harbor Craft (CHC) rule created a new section that allows vessel operators to extend their compliance deadline in the event there is not available compliance technology or in case of scheduling delays, lack of shore power availability, low usage, or financial hardship. While many of these conditions can be anticipated, scheduling delays cannot. CARB's proposed language would allow applicants to receive funding if they are granted extensions prior to their compliance deadline<sup>1</sup>. AWO recommends CARB add language that allows a project deadline to be extended if, during the life of the project, the awardee is granted a scheduling extension. This update fulfills the spirit of the amendments while also ensuring that an operator does not need to relinquish funding in the event of scheduling delays caused by supply chain issues, lack of dry dock availability, or long wait times for inspections.

3) Remove the scrappage requirement in certain cases.

Emission reductions funded through the Carl Moyer Program must be surplus, permanent, enforceable, and quantifiable. However, in some situations scrapping an engine after a project is completed leads to a lost opportunity for additional emissions reduction. The Carl Moyer Program currently requires repower and replacement projects to achieve an annual NOx emissions benefit of at least 15 percent. From a Tier 1 to a Tier 3 engine, there is a 40 percent emissions reduction. We propose adding new language that states that if a Tier 3 or higher engine is being removed from a vessel through the Carl Moyer Program, a grantee may choose not to scrap the removed engine if it is used to replace a Tier 1 or Pre-Tier 1 engine in the same fleet, or a similar project that results in an annual emissions benefit equal to or greater than that change.

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<sup>1</sup> Section C(1)(j)

This change would not preclude a vessel from complying with the CHC or any other federal or state emissions regulations. Rather, it would allow an operator to use a cleaner engine without having to go through the additional procurement process and the costs associated with it.

Conclusion

Thank you again for the opportunity to submit additional recommendations on the Carl Moyer Program. We would be pleased to answer any questions or provide further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Schrappen". The signature is written in a cursive, flowing style.

Peter Schrappen  
Vice President – Pacific Region