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Jennifer A. Carpenter
President & CEO

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The Honorable Gavin Newsom
Governor
State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Dear Governor Newsom:

I am writing to you with an urgent request to withdraw the 2022 amendments to the Commercial Harbor Craft (CHC) rule. On January 13, the California Air Resources Board (CARB) withdrew its requests to enforce emissions rules for the state's truck and rail industries. Consequently, CARB's stringent regulations will now apply only to harbor craft, which comprise the most sustainable mode of freight transportation, but not its two modal competitors. California boasts one of the nation's most economically prosperous ports and is critical to the national and global supply chain, yet this decision to withdraw emissions rules with the exception of those for the maritime industry places vessel operators at a competitive disadvantage – one that will cripple California's marine sector and economy and threaten both mariner safety and the environment.

The American Waterways Operators (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 safely and efficiently moves over 665 million tons of cargo each year while emitting 43 percent less greenhouse gases than rail and 832 percent less than trucks – the two transportation sectors that no longer need comply with CARB's most recent emissions rules.

Our members are committed to advancing environmental progress, and while the intent of the CHC rule is fully consistent with our industry's commitment to building a greener and more sustainable future, it is likewise imperative to protect the over 50,000 California jobs and more than \$12.2 billion in economic activity driven by the domestic maritime transportation industry. On behalf of AWO members and California vessel operators, and the more than 50,000 Californians whose livelihoods depend on the domestic maritime industry, I appeal to you to take immediate action to protect commercial harbor craft operators from these draconian and dangerous amendments.

On January 10, 2025, the U.S. Environmental Protection Agency (EPA) published its decision to partially grant CARB's request to enforce its 2022 amendments to the CHC rule, pursuant to

Section 209(e) of the Clean Air Act (CAA). These amendments require the installation of diesel particulate filters (DPFs), among other requirements, onboard vessels even though no such technology certified as suitable for marine vessels currently exists. The U.S. Coast Guard (USCG) has expressed safety concerns over the installation of this technology, and CARB has failed to consider the repeated concerns about DPFs expressed by the USCG, vessel owners, and maritime labor unions.

DPFs have a history of catching fire on trucks because of their extremely high temperatures. If such an event were to occur, vessel crews must flee overboard. These regulations will inhibit adherence to federal safety standards and put mariner lives and the environment at risk, with no benefit to air quality as truck and rail emissions will only offset any small gains made by the comparably low-emissions maritime sector.

Additionally, new vessel designs must accommodate risky DPFs even though this technology does not currently exist, potentially subjecting all vessels to costly retrofits. As there are only five drydocks in California that can conduct retrofit work, and factoring in procurement delays due to supply chain interruptions, AWO estimates that, at a minimum, an additional 18 months will be needed to comply with DPF installation. This assumes that a vessel owner has the approximately \$5 million needed to retrofit each vessel, which will likely prove too costly for smaller operations.

Though the CHC rule specifies that vessel owners can request compliance extensions, this mechanism is more burdensome than beneficial in practice. At their own expense, vessel owners must perform and submit engineering analyses to prove to CARB that every technology commercially available is incompatible with their vessel. Even then, there is no guarantee that CARB will approve an extension request. This process places the burdens of cost, proof, and uncertainty on the vessel owner when the technologies, though required, are not certified for marine use.

AWO and our member companies continue to engage with CARB staff to attempt to create a more feasible pathway for compliance and strongly support sustainable innovation. However, to be truly sustainable, required technology must be thoroughly vetted, commercially available, economically feasible, and fully compatible with crewmember and vessel safety.

Without your leadership to withdraw and revise the regulations, commercial harbor craft operators will be displaced by less sustainable modes of freight transportation, impairing the safety and efficiency of California's ports and undermining commerce as the state is already facing the aftermath of large-scale natural disasters. A recent survey by the Pacific Merchant Shipping Association found that there has already been an exodus of harbor craft since the regulations were adopted, resulting in a lack of ship-assist tugboats necessary to keep deep-draft vessels operating safely and efficiently and threatening cascading problems for California's supply chain.

We respectfully ask for the opportunity to work directly with your office to achieve sustainable goals for the maritime sector that are consistent with current regulations for other modes, do

not risk another supply chain crisis, and do not compromise the safety of California mariners or the environment.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Carpenter". The signature is written in a cursive, flowing style.

Jennifer Carpenter
President & CEO
The American Waterways Operators