



755 Winslow Way East
Suite 105B
Bainbridge Island, WA 98110

PHONE: 203.980.3051
EMAIL: ccostanzo@americanwaterways.com

Charles P. Costanzo
General Counsel & Vice President – Pacific Region

October 30, 2020

Mr. David C. Quiros
Manager, Freight Technology Section
Transportation and Toxics Division
1001 "I" Street
Sacramento, CA 95814

RE: Proposed Amendments to the Commercial
Harbor Craft Regulation in California

Dear Mr. Quiros:

On behalf of The American Waterways Operators (AWO) members, thank you for the opportunity to respond to the California Air Resources Board (CARB) proposed amendments to the commercial harbor craft regulation. AWO is the national trade association for the tugboat, towboat, and barge industry. AWO's more than 300 member companies own and operate towing vessels on the U.S. inland and intracoastal waterways; the Atlantic, Pacific, and Gulf coasts; and the Great Lakes.

AWO considers CARB's harbor craft regulations to be particularly significant given the importance of waterborne commerce to the State of California. California ranks third among the 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. Seven AWO member companies are headquartered in California, and many more operate tugboats, articulated tug-barge units (ATBs), tank barges, and deck barges on California waters.

As outlined in AWO's April 30, 2020 comment letter, the proposed amendments will impose substantial costs on AWO members and create new compliance challenges for both harbor craft engine manufacturers and harbor craft operators. We would like to reassert the concerns articulated in our previous comments and reiterate our opposition to the proposed concepts and compliance schedules.

As a threshold concern, AWO believes that CARB's vessel inventory overstates the contribution of harbor craft to air pollution in California. CARB has acknowledged AWO's concerns with the vessel population counts and we are working with CARB staff to identify discrepancies in vessel counts. Based on these overestimations and corresponding lower

Mr. David Quiros
October 30, 2020
Page 2

pollution loads attributable to towing vessels, AWO strongly recommends that compliance schedules and regulatory timelines for harbor craft performance standards be extended.

AWO also believes that the proposed concepts represent an unnecessary and unhelpful shift away from effective incentive-based programs and toward prescriptive mandates. This shift impairs industry flexibility and invites waste by encouraging the retirement or decommissioning of newer and federally compliant vessels long before the end of their life cycles while providing very little environmental benefit.

Finally, AWO objects to CARB's decision to exclude commercial fishing vessels and other vessels based on their operational profile and cost of compliance. The same conditions used to exclude fishing vessels and other vessels apply to towing vessels in coastwise trade that generally operate beyond the territorial sea boundary line. *If the goal is to regulate harbor craft, CARB should acknowledge the operational profile of all oceangoing vessels – including ATBs and oceangoing tugboats – and exempt them from this regulation for the same reasons that the rule exempts commercial fishing vessels.*

AWO members have a long history of collaboration and cooperation with CARB and constructive engagement in its initiatives. We remain deeply committed to protecting air quality in California and nationwide. AWO appreciates the consideration that CARB has given to several areas of this rule, specifically eliminating requirements for newly built near-zero emission harbor craft. AWO values regulatory processes that allow for robust industry-agency dialogue that takes into account the safe and environmentally responsible operation of towing vessels; consideration of compliance costs and benefits; and protection of U.S. port competitiveness. *AWO is concerned that CARB's process, so far, has neglected these important precepts.*

AWO looks forward to working with CARB to ensure that maritime transportation remains the most environmentally friendly mode of freight transportation -- enhancing California's trade economy and delivering cleaner air for all Californians.

Sincerely,



Charles Costanzo
General Counsel and Vice President – Pacific Region