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Peter J. Schrappen, CAE
Pacific Region Vice President & Regional Team Lead

August 10, 2026

Mr. John Chung
Air Pollution Specialist
Fee Enforcement and Support Section
California Air Resources Board
1001 I Street
Sacramento, California 95814

RE: Notice of Modified Text, California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Regulation

Dear Mr. Chung:

The American Waterways Operators 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. As the largest segment of the nation's-45,000 vessel domestic maritime fleet, our industry plays a vital part in America's supply chain and national security, moving the nation's commerce on U.S. inland and intracoastal waterways, the Atlantic, Pacific and Gulf Coasts, and the Great Lakes. On behalf of our over 300 members, we appreciate the opportunity to comment on the California Air Resources Board's (CARB) 15-day notice of modified text of its proposed California Corporate Greenhouse Gas (GHG) Reporting and Climate-Related Financial Risk Disclosure regulation.

AWO members are proud to be the safest and most environmentally responsible mode of freight transportation. Our industry is committed to building on this success and actively exceeds regulatory requirements to preserve and protect the environment while facilitating the efficient movement of maritime commerce. For many years, AWO has worked collaboratively with CARB to ensure that commercial maritime operators can feasibly and practicably comply with regulations to minimize the onus on their operations. Our goal has been, and continues to be, ensuring that regulations reflect the operational realities of our members.

Throughout our long-standing engagement, AWO has consistently advocated that any regulation affecting our members be feasible and safe to implement while preserving operational efficiency. In February 2026, CARB unanimously adopted the initial regulation for its Corporate GHG Reporting and Climate-Related Financial Risk Disclosure Programs, with the first reporting deadlines occurring in fall 2026. As that deadline approaches, AWO is committed to ensuring that the amended regulation provides the clarity and flexibility our members need to comply while supporting the safe and efficient movement of maritime commerce.

Definitions: "Doing Business in California" and "Revenue"

In the modified text, CARB clarified that "doing business in California" and "revenue" will both be "evaluated at the individual business entity level." These updated definitions indicate that both doing business and revenue thresholds will be determined by the individual entity itself, rather than through a single, consolidated determination at the parent-company level.

AWO recommends that CARB add language clarifying that the parent company can conduct these determinations on behalf of its subsidiaries and submit the results in a single, consolidated report. This approach would relieve individual subsidiaries of reporting burdensome and duplicative analyses without altering the new standard.

Reporting Deadlines and Guidance

AWO strongly supports CARB's decision to defer the first-year reporting deadline for Scope 1 and Scope 2 emissions to November 10, 2026. This three-month deferral recognizes that reporting entities need adequate time to understand and apply the final requirements before their first submission is due.

However, the initial regulation remains under review at the Office of Administrative Law, meaning that reporting entities will not know the final requirements until that review concludes. Depending on when that review concludes, businesses could be potentially left with only weeks to follow CARB's guidance and compile the necessary information. Consequently, we recommend that should the review conclude near to the November deadline, CARB move the deadline back by a month to allow reporting entities enough time to adequately respond.

Payment and Collection

AWO supports the modified text's provision that fee payments may be consolidated at the parent company level. Allowing consolidated payment is a practical administrative accommodation that eliminates administrative burdens for subsidiaries. It is particularly helpful to our members, many of whom are organized as a parent company comprising numerous vessel-owning and vessel-operating subsidiaries.

Recordkeeping and Reporting

The modified text also provides that reports may be consolidated at the parent company level. Where a subsidiary qualifies as a reporting entity, and its parent company elects to consolidate, the subsidiary is not required to prepare a separate report. AWO supports this provision for the same reasons described above with respect to consolidated-fee payments. It eliminates duplicative and burdensome administrative tasks that would otherwise fall on the numerous subsidiaries common to our members' business structures.

The modified text also establishes alternative reporting options for first-year Scope 1 and Scope 2 emissions. For the report due November 10, 2026, a reporting entity has the option to submit a statement indicating that it is not submitting a report because it did not possess, or was collecting the required information. AWO strongly supports the inclusion of these alternative reporting options as reporting entities cannot retroactively generate information they have never collected.

Thank you again for the opportunity to comment. AWO would be pleased to provide additional information as needed.

Sincerely,

Peter Schrappen
Vice President – Pacific Region