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**COALITION FOR
CLEAN AIR**

November 1, 2021

Chair Randolph and Members of the Board
California Air Resources Board
1001 I Street,
Sacramento, California 95814
Via Electronic submittal

**Re: Approve the Commercial Harbor Craft Regulation, with Strengthening
Amendments**

Dear Chair Randolph and Members of the Board:

The undersigned organizations are writing to submit comments on California Air Resources Board (“CARB”) Proposed Regulation Order for the Commercial Harbor Craft Regulation (“CHC”). We appreciate the work that CARB staff have done on the proposal, including taking

into consideration comments that many of the undersigned organizations submitted to CARB in February and April of this year.

First and foremost, we urge CARB to stand firm in rejecting any efforts by industry to weaken the rule from its current draft. As written, CARB's amended CHC rule will yield significant public health benefits for Californians, especially those living in low-income communities of color. As you know, commercial harbor craft are one of the top three cancer risks for Californians living near the ports of Los Angeles, Long Beach, San Diego and Oakland. The proposed rule will protect thousands of Californians from asthma, cancer and other health risks and will save 500 Californians from premature death. The proposed rule mitigates negative health outcomes valued at over \$5.25 billion — 2.5 times more in savings than what it will cost companies to implement changes.

In total, this landmark rule will reduce diesel particulate matter (PM) emissions from CHC in California by 89% and smog-forming nitrous oxide (NOx) emissions by. In so doing, the proposed rule lowers CHC-related cancer risk (>1 in a million) for nearly 15 million California residents in the areas evaluated (South Coast and Bay Area regions), reduced from 22 million under the current regulation to 7 million.

CARB must not walk back from these lifesaving amendments. The South Coast region is not on track to achieving the health-based air quality standards required under the US Clean Air Act, and the health and economic consequences of non-attainment are huge. Every sector that emits as much as this one does must play a part in reaching clean air, and no industry can be exempted from needed pollution reductions without putting additional stress on residents' health and additional burdens on other industries.

Secondly, we acknowledge that the proposed CHC rule will include a first-in-the-nation zero-emission mandate for the maritime sector, moving almost 200 vessels to 100% zero-emission this decade. In so doing, CARB will be helping catalyze zero-emission vessel innovation within the maritime sector and advance the land-side clean fuels and clean energy transition California ports desperately need to accelerate.

To these ends, we are particularly supportive of the following in the latest rule as proposed:

1. **Expanded Vessel Categories:** The additional CHC vessel categories to in-use requirements make sense, fit the definition of a harbor craft, and would help achieve additional emission reductions.
2. **Zero-emission requirements on the two segments:** We appreciate the zero-emission requirement for short run ferries traveling 3 nautical miles and a zero-emission "capable" emphasis for excursion vessels. These two areas are ripe for going to zero-emission.
3. **Methane performance standard:** We appreciate the revision to the methane performance standard to the rule of 1.0 g/bhp-hr.

However, we still believe the rule misses the opportunity to embrace electrification solutions for the commercial harbor craft sector and remain deeply concerned that the rule as written generates almost no material greenhouse gas reductions. In the face of climate emergency, we believe that the draft CHC rule remains insufficient and that significantly more harbor craft segments must be pushed off of fossil fuel propulsion to 100% zero-emissions by 2035.

We therefore urge CARB to go further to set an even stronger, zero-emission rule:

I. Require a 100% zero-emission transition for more harbor craft segments by 2035, notably all ferries, tugboats, dredges and barges, which are allowed to stay on diesel under the proposal as written:

The proposed regulation is still not sufficiently ambitious and misses greenhouse gas emissions reduction potential by requiring zero-emissions for only two segments. This risks creating a stranded asset scenario for harbor craft owners who may pay to retrofit to Tier 3/4 engines, only to be forced to make a full zero-emission transition in quickly proceeding years later. The proposed regulation also risks putting CARB out of compliance with [E.O. N-79-20](#).

Technology exists to transition all harbor craft to zero-emissions segments. Just like cars and trucks, boats and ships must transition off of fossil fuel propulsion. The time is now to electrify everything. No industry should get a free pass at the price of our frontline communities and the environment.

There are currently over 300 zero-emission ships powered by batteries in operation in the world, with another 194 on order. California's first zero-emission hydrogen fuel cell passenger ferry is already on the water in the San Francisco Bay in August. Construction has commenced on the world's first fully [electric fast ferry](#), ameliorating any concern that a zero-emission ferry commute would slow Californians down. California's [first fully electric, American-made tugboat](#) is in production, designed and owned by U.S.-based Crowley Marine, and will be at the Port of San Diego in early 2023. Meanwhile, [Duffy Electric Harbor Excursion vessel](#) is the world's leader in the electric boat industry since 1970 is based in Newport, CA.

Zero-emission targets for more segments would also bring a wide range of benefits:

- **A stronger zero-emission harbor craft rule will create jobs in California:** As the state looks toward economic recovery after the fallout of COVID-19, continued and expanded investment in developing zero emission technologies and infrastructure in the maritime sector provides unique opportunities to create reliable, in-state jobs while also achieving our climate goals. For instance, establishing shore power in just one Long Beach terminal — Pier C — created 60 union jobs. In addition, zero-emission shipping is expected to create 316,700 jobs nationally over 10 years according to a 2021 UC Berkeley Goldman School of Public Policy report.
- **A stronger zero-emission harbor craft rule will save lives and advance environmental justice.** As stated above, harbor craft are one of the top three cancer risks for Californians living near the ports of Los Angeles, Long Beach, San Diego and

Oakland. The draft rule will protect thousands of Californians from asthma, cancer and other health risks and will save 500 Californians from premature death. An even stronger rule will help save even more lives.

- **A stronger zero-emission harbor craft rule will save Californians billions of dollars.** As stated above, the avoided negative health outcomes are valued at over \$5.25 billion — 2.5 times more in savings than what it will cost companies to implement changes. A stronger rule will generate even more savings.

We have heard concerns from industry stakeholders on the costs to achieving ZE in these categories. While there may be initial investment costs, that cost can be passed on to the consumer but not to a degree that would impact efficiency. For example, Denmark-based Maersk, the world's largest shipping company, has committed to net-zero emissions from its ocean shipping by 2050 and estimates that decarbonizing shipping would add only 6 cents to a pair of \$100 running shoes. Operators will also see increased efficiencies and fuel savings. For example, the Sandpiper dredge was converted from diesel to electric-powered. Besides producing far less pollution, the rebuilt Sandpiper is so efficient, it can dredge the harbor in less than half the time of the previous owner.

- **A strong zero-emission harbor craft rule creates business certainty:** In addition, harbor craft manufacturers and equipment developers need regulatory certainty in order to drive continued investment from the private sector in ZE technology.

II. Include technology reopener in rule language to revisit zero emission options as the commercial market matures

With technology changing so rapidly, we recommend that CARB provide the ability to reopen the rule as the commercial market matures. We are attaching with our comment letter the Getting to Zero Coalition's "Mapping of Zero Emission Pilots and Demonstration Projects" report.

III. Include a State Implementation Plan commitment to revise this rule as technology matures to achieve additional reductions.

The final rule should include an official, time-bound, aggressive commitment on when the next iteration of this rule will be considered and adopted.

In conclusion, we urge CARB to make its CHC rule as close as possible to requiring absolute zero emissions as soon as that is feasible. Californians, the nation and the world are facing interrelated existential public health, racial justice, and climate crises. The technology to create zero emission harbor craft is well on its way to achieving 100% zero-emissions by 2035 and it would be a mistake for California's Air and Climate regulator to endorse a continuation of diesel-powered vessels during the decade of urgent climate and clean air action.

Sincerely,

Madeline Rose
Climate Campaign Director
Pacific Environment

Bill Magavern
Policy Director
Coalition for Clean Air

Regina Hsu
Associate Attorney
Earthjustice

Taylor Thomas
Co-Executive Director
**East Yard Communities for
Environmental Justice**

Fern Uennatornwarangoon
Air Quality Policy Manager
Environmental Defense Fund

John Kaltenstein
Deputy Director
Friends of the Earth

Matt Holmes
Community Engagement Specialist
Little Manila Rising

Peter M. Warren
**San Pedro & Peninsula Homeowners
Coalition**

David Wooley
Executive Director
Environmental Center
Goldman School of Public Policy
University of California, Berkeley

Dan Hubbell
Shipping Emissions Campaign Manager
Ocean Conservancy

Yassi Kavezade
Senior Campaign Representative,
My Generation, **Sierra Club California**

Sam Wilson
Senior Vehicles Analyst
Union of Concerned Scientists

Eli Lipmen
Deputy Director
Move LA

Marc Carrel
President & CEO
Breathe Southern California

Danny Serrano, AICP
Campaign Director,
Environmental Health Coalition |

Durwood Zaelke
Daniel Taillant, Climate Justice Policy
Advisor
**Institute for Governance and Sustainable
Development**

Ameen Khan
Regulatory Affairs Advocate
California Environmental Voters

Ellie Cohen
CEO
The Climate Center