



October 18, 2021

Mayor Dianne Martinez
And City Council
1333 Park Avenue
Emeryville, CA 94608

10.19.21 Agenda Item 12. 3: CARB Commercial Harborcraft/Sportfishing Engine Regulations

Dear Mayor and City Council,

Collectively, the Sportfishing Association of California and the Golden Gate Fishermen's Association represent most commercial inspected passenger vessel boat owners; sportfishing, whale watching, dive boats and eco-tourism, from San Diego to the Oregon border. We write you in support of Emeryville boat owners, all of which are family-owned operations.

The California Air Resources Board (CARB) staff have reached the conclusion that many boat owners will not be able to comply with proposed engine emission reduction regulations that require new technology that has not been invented for passenger harbor craft yet, nor proven safe at sea.

The proposed regulations place boat owners in the untenable position of having to replace wood and fiberglass boats with metal vessels starting as soon as January 2023 – some 15-months from now. The proposed extensions are of little consolation to boat owners who can't afford to purchase new multi-million-dollar vessels. This is especially so when existing boats, their most valuable asset, is deemed non-compliant and will have no resale value in California.

Knowing that CARB has provided you a fact sheet (dated September 2021) we feel compelled to share some omissions that may be of value to the city council as it hears and deliberates public testimony. CARB's fact sheet overstates the need for draconian regulations by consistently overestimating the number of CPFVs currently in service by combining them with uninspected sportfishing 6-Pack boats, vessels that carry approximately six passengers. Commercially inspected passenger sportfishing constitute less than 10 percent of all harbor crafts in California equating to only 174 boats that operate many miles out at sea, sometimes for days at time.

Nonetheless, CARB's proposed rules disproportionately impact CPFVs. Among all the vessel categories being considered for new regulations, passenger fishing vessels are predominately

family owned. They are not global shipping companies, nor traded on the Stock Exchange. They serve diverse and working-class Californians, especially those who cannot afford to own recreational boats to access the sea. Moreover, passenger boat owners have longstanding relationships with school science programs and non-profit organizations that serve disadvantaged children and veterans.

The CARB fact sheet also implies that the regulatory costs are reasonable and that they can be easily absorbed by increasing passenger prices by \$26.09. This assessment is based on CARB's belief that a new passenger sportfishing boat costs a mere \$1.2 million. This estimate is baseless as we are certain that they did not contact any ship builder and it would be impossible to fully assess the cost since the technology has not been invented yet for this application. However, we do know that from a safety standpoint the vessel would need to be steel and much longer and wider to accommodate the large and heavy equipment that is mandated. To this day, CARB has not complied with our request for this analysis.

We believe CARB has grossly underestimated the cost for new metal boats, two Tier Four engines with the proposed Diesel Particulate Filters, and modifications to the docks and infrastructure in marinas to accommodate larger vessels. It is important to note that boats come in all sorts of specification and sizes, depending on their use, which are many, especially if a vessel serves recreational and commercial uses. The fact sheet proposes a price increase for one boat, the specification of the boat has not been disclosed.

It is important to underscore that CARB's determination that the regulations are economically feasible is based on overly simplified statement of replacement cost. As noted, this replacement cost is grossly understated and does not take into consideration any associated costs. This means that 2023 may well mark the end of Emeryville's boat fleet.

There appears to be some recognition on the part of CARB that boat owners could go out of business;

"...(CARB) staff cannot rule out the possibility of some business elimination if costs cannot be passed onto the customer or if passing through costs would result in significant decrease in demand." - CARB, Standardized Regulatory Impact Assessment, July 7, 2021

Then there are the unresolved safety issues. CARB's regulations require engines to have equipment installed that has not been thoroughly tested at sea, specifically Diesel Particulate Filters (DPFs). It is common for DPFs found on trucks and farm equipment to create significant heat and severe back pressure on engines, and sometimes catch fire. Blocked exhaust systems may be manageable on land, but not at sea. Passengers could be adrift at sea for hours as boat crews try to regain control of their vessel. This could be particularly dangerous as boats traverse

the entrances of harbors, running the risk of running aground or colliding with jetties, landings or other vessels. It is easy to imagine a host of circumstances that are manageable on land but are life-threatening for passengers and crew at sea.

CARB's fact sheet states that Tier Four engines are available and "22 models are certified." Noticeably, absent from their statement is "for passenger fishing vessels." There is good reason for this omission. As the California Maritime Academy informed CARB, Tier Four engines have not been developed for passenger fishing vessels yet, nor have DPFs been deemed safe as noted by Cal Maritime and supported by another statement in the CARB fact sheet;

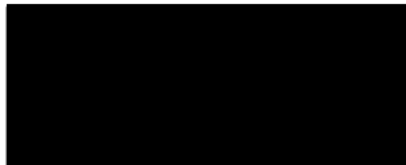
"Manufacturers of engines and retrofit controls are working with U.S. Coast Guard to ensure safety and meet applicable requirements."

Remarkably, CARB did not consult directly with the U.S. Coast Guard before drafting the regulations. This is serious oversight as the U.S. Coast Guard is charged with inspecting passenger vessels, ensuring that vessels are safe for passengers and crew.

Let us underscore that boat owners embrace the need to reduce emissions and have been doing so by taking advantage of state grants that help finance engine replacement. It is noteworthy to mention that as soon as the regulations are adopted, boat owners will no longer be eligible for these Carl Moyer grants, yet will continue to be required to upgrade their existing vessels as they decide if they can afford to purchase a new multi-million-dollar vessel or go out of business.

It is our hope that the City Council recognizes that CARB needs to find a sensible solution that allows small business owners to transition to lower emission engines as the technology becomes available, is deemed safe at sea and is economically feasible. In order to protect Emeryville's passenger sportfishing and whale watching fleet, the City Council is uniquely positioned to communicate this message to CARB. On behalf of Emeryville boat owners, thank you for your consideration.

Sincerely,

A large black rectangular redaction box covering the signature of Ken Franke.

Ken Franke
President, Sportfishing Association of California