

ATTACHMENT A

FINDINGS and STATEMENT OF OVERRIDING CONSIDERATIONS

Introduction

The California Air Resources Board (CARB), as the lead agency for the *Proposed Amendments to the Commercial Harbor Craft Regulation* (Proposed Amendments or Proposed Project), prepared a Draft Environmental Analysis (EA) in accordance with its certified regulatory program (Cal. Code Regs., tit. 17, §§ 60000 – 60008) to comply with the requirements of the California Environmental Quality Act (CEQA) (Pub. Resources Code, §21000, *et seq.*). The Draft EA, entitled *Draft Environmental Analysis prepared for the Proposed Amendments to the Commercial Harbor Craft Regulation*, included as Appendix D to the Staff Report (Initial Statement of Reasons) for the Proposed Amendments, provided an analysis of the potential environmental impacts associated with the Proposed Amendments. Following circulation of the Draft EA for a public review and comment period from September 24, 2021, through November 15, 2021, CARB prepared the *Final Environmental Analysis prepared for Proposed Amendments to the Commercial Harbor Craft Regulation* (Final EA) which includes minor revisions to the Draft EA. While updates have been made to the EA to ensure it reflects the Proposed Amendments as accurately as possible, these changes merely clarify, amplify, or make insignificant modifications to the otherwise-adequate Draft EA. These modifications would not result in any new reasonably foreseeable significant environmental impacts or substantially increase the severity of an identified environmental impact. The Draft EA's findings, overall significance conclusions, mitigation measures and alternatives adequately address the environmental review for the proposed modifications. Therefore, there is no significant new information that would require the EA to be recirculated. The Final EA was posted on CARB's webpage on March 14, 2022.

This statement of findings and overriding considerations was prepared to comply with CEQA's requirement to address the environmental impacts identified in the Final EA. (Pub. Resources Code, §§ 21081, 21081.6, Cal. Code Regs, tit. 14, §§ 15091, 15093.) The Final EA is based on the expected compliance responses of the regulated entities covered by the Proposed Amendments. Although the policy aspects and requirements of the Proposed Amendments would not directly change the physical environment, there are potential indirect physical changes to the environment that could result from reasonably foreseeable actions undertaken by entities in response to the Proposed Amendments. These indirect impacts are the focus of the programmatic-level impacts analysis in the Final EA.

Collectively, across all categories, the Final EA concluded that the reasonably foreseeable compliance responses associated with the Proposed Amendments could result in the following short-term and long-term impacts: less than significant or no impacts to air quality (operational impacts or long-term), energy demand, greenhouse gas emissions and climate change, land use, mineral resources, population, employment and housing, public services,

recreation and wildfire; and potentially significant adverse impacts to aesthetics, agriculture and forestry resources, air quality (construction related or short-term), biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, noise and vibration, transportation and traffic, tribal cultural resources and utilities and service systems. The potentially significant and unavoidable adverse impacts are disclosed for both short-term, construction-related activities and long-term operational activities, which is why some resource areas are identified above as having both less-than-significant impacts and potentially significant impacts.

CARB's certified regulatory program requires that before adoption of an action for which significant adverse environmental impacts have been identified during the review process, CARB consider feasible mitigation measures and alternatives that could substantially reduce the impacts. (Cal. Code Regs, tit. 17, §60004.2.) CEQA places the burden on the approving agency to affirmatively show that it has considered feasible mitigation and alternatives that can lessen or avoid identified impacts through a statement of findings for each identified significant impact. (Pub. Resources Code, §21081.) CEQA Guidelines section 15091 provides direction on the content of the statement of findings. That section states that one or more of the following findings should be identified for each impact:

- Changes or alterations have been required in, or incorporated into, such projects which avoid or substantially lessen the significant environmental effect as identified in the final environmental impact report.
- Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency, or can and should be adopted by such other agency.
- Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the environmental impact report.

The potential adverse impacts identified in this programmatic level EA are potential indirect impacts associated with the compliance responses reasonably foreseeable in response to the Proposed Amendments based on currently available information. The ability to determine site- or project-specific impacts of projects carried out by third parties and the authority to require feasible mitigation lies with those agencies with authority to approve such actions, e.g. local permitting authorities in city or county governments and local air districts. CARB does not have the ability to determine with any specificity the project level impacts, nor the authority to require project-level mitigation in approving the Proposed Amendments, as discussed in the findings below.

An agency may approve a project with unavoidable (unmitigated) adverse environmental impacts. When doing so, CEQA requires the agency to make a statement in the record of its views on the ultimate balancing of the merits of approving the project despite the environmental impacts in a "statement of overriding considerations". (Pub. Resources Code, §21081(b); Cal. Code Regs, tit. 14, §15093.) The following presents the CARB

Board's (Board) statement of findings for each significant adverse impact identified in the Final EA, accompanied by a brief explanation, and its statement of overriding considerations.

STATEMENT OF FINDINGS

The Board has independently reviewed and considered the entire record, including the information contained in the Final EA, public testimony, written comments received, and the written responses to environmental comments, all of which are hereby incorporated by reference. The Board makes the following written findings for each significant adverse impact identified, accompanied by a brief explanation of the rationale for each finding. These findings are supported by substantial evidence in the record.

Aesthetics

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related (land based) impacts and long-term operational (land based) impacts on aesthetic resources. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells. An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling, refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. The compliance responses described here could adversely affect visual resources by adding new equipment and structures.

The Final EA includes Mitigation Measures 1-1 and 1-2, which identify existing statutes and regulations and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore,

the Board finds that the authority to implement Mitigation Measures 1-1 and 1-2 are within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 1-1 and 1-2 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks full details on the design of potential programs and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments would be potentially significant and unavoidable. This potential impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Agriculture and Forestry Resources

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related (land based) impacts and long-term operational (land based) impacts on agriculture and forestry resources. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells. An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling, refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. The compliance

responses described here could potentially occur in areas currently zoned for or supporting agriculture and forestry resources.

The Final EA includes Mitigation Measure 2-1, which identifies existing statutes and regulations and construction and operating permit requirements as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measure 2-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 2-1 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks full details on the design of potential programs and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments would be potentially significant and unavoidable. This potential impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Air Quality

Finding and Explanation

The Final EA found that reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related (land Based) impacts on air quality. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells. An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling, refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power

meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. The construction of these facilities and functions could result in some amount of short-term increased emissions.

As described in greater detail in the Final EA, it would be expected that the primary sources of construction-related emissions would occur from soil disturbance and use of construction equipment. It is expected that during the construction phase for any new project, criteria air pollutants (e.g., oxides of nitrogen (NO_x), oxides of sulfur (SO_x), and particulate matter (PM)) and toxic air contaminants (TACs) could be generated from a variety of activities and emission sources, such as equipment use and worker commute trips.

The Final EA included Mitigation Measure 3-1, which identifies existing statutes and regulations and construction and operational permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measure 3-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 3-1 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Proposed Amendments would be potentially significant and unavoidable. This impact potential is overridden by the project's benefits as set forth in the statement of overriding considerations.

Biological Resources

Finding and Explanation

The Final EA found that reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related (land based) impacts and long-term operational (land based) impacts on biological resources. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to

vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells. An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling, refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. The potential for adverse construction-related effects related to these activities on biological resources would mainly be limited to pile driving, installation of piping and staging areas associated with facility modifications. Direct mortality could result from destruction of dens, burrows, or nests through ground compaction, ground disturbance, debris, or vegetation removal within port facility and marine terminal sites. Indirect impacts to species could result from construction noise disturbance that might cause nest or den abandonment and loss of reproductive or foraging potential around the site during construction, transportation, or destruction of equipment and existing structures. Long-term operation of these facilities would often include the presence of workers; movement of automobiles, trucks, and heavy-duty equipment; and operation of stationary equipment. As is generally the case, this environment would generally not be conducive to the presence of biological resources located on-site or nearby.

The Final EA included Mitigation Measures 4.-1 and 4.-2, which identify existing statutes and regulations and construction and operational permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 4.-1 and 4.-2 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 4.-1 and 4.-2 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Proposed Amendments would be potentially significant and unavoidable. This impact potential is overridden by the project's benefits as set forth in the statement of overriding considerations.

Cultural Resources

Finding and Explanation

The Final EA found that reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related (land based) impacts and long-term operational (land based) impacts on cultural resources. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells. An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling, refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. Presence of new infrastructure may change the visual setting of the surrounding area, which could adversely affect historic resources and districts with an important visual component. For example, although it is unlikely such a facility would be sited in a historic district, a new industrial building or control system may not be consistent with the visual character of a historic district. As a result, construction and operational impacts would be potentially significant.

The Final EA included Mitigation Measure 5-1, which identifies existing statutes and regulations and construction and operational permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county

governments. Therefore, the Board finds that the authority to implement Mitigation Measure 5-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 5-1 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Proposed Amendments would be potentially significant and unavoidable. This potential impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Geology and Soils

Finding and Explanation

The Final EA found that reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related (land based) impacts and long-term operational (land based) impacts on geology and soil resources. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells. An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling, refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. These activities would

have the potential to adversely affect soil and geologic resources. There is inherent uncertainty surrounding the location and magnitude of such facilities, which could be located outside of California. As such, it is conceivable that a facility could be located on soils incapable of supporting facility generated wastewater. Hard rock lithium ion extraction, which would be expected to occur outside of the state and U.S., would have adverse effects to erosion from potential loss of forests and soil disturbance.

The Final EA included Mitigation Measure 7-1, which identifies existing statutes and regulations and construction and operational permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measure 7-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 7-1 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Proposed Amendments would be potentially significant and unavoidable. This potential impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Hazards and Hazardous Materials

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially short-term construction-related (land based) impacts and long-term operational-related (land based) impacts on hazards and hazardous material resources. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells.

An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling, refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. As described in greater detail in the Final EA, construction activities generally use heavy-duty equipment requiring periodic refueling and lubricating fluids. It is during the transfer of fuel that the potential for an accidental release is most likely. Although precautions would be taken to ensure that any spilled fuel is properly contained and disposed, and such spills are typically minor and localized to the immediate area of the fueling (or maintenance), the potential remains for a substantial release of hazardous materials into the environment. The long-term operation of new infrastructure and facilities associated with the Proposed Amendments would result in the routine transport, use, and disposal of hazardous materials. Harmful substances can enter the environment in several ways throughout the entire cycle of alternative fuel production, manufacturing, transportation, storage, distribution, and usage.

The Final EA includes Mitigation Measures 9-1 and 9-2, which identify existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 9-1 and 9-2 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 9-1 and 9-2 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Proposed Amendments would be potentially significant and unavoidable. This potential impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Hydrology and Water Quality

Finding and Explanation

The Final EA found reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction related (land based) impacts and long-term operational (land based) impacts on hydrology and water quality resources. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells. An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling, refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. As described in greater detail in the Final EA, construction activities could require disturbance of undeveloped areas, such as clearing of vegetation, earth movement and grading, trenching for utility lines, erection of new buildings, and paving of parking lots, delivery areas, and roadways. Specific construction projects would be required to comply with applicable erosion, water quality standards, and waste discharge requirements (e.g., NPDES, Stormwater Pollution Prevention Plan [SWPPP]). With respect to depleting groundwater supplies, new facilities are not anticipated to result in substantial groundwater demands. The increased demand for lithium-ion batteries would slightly increase the demand for mined lithium. Lithium is mainly obtained from areas outside of the United States, where State and federal laws and regulations are not enforced. Thus, water quality impacts related to mining could occur because of implementation of the reasonably foreseeable compliance responses associated with the Proposed Amendments.

The Final EA included Mitigation Measures 10-1 and 10-2, which identify existing statutes and regulations and construction and operational permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation

Measures 10-1 and 10-2 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 10-1 and 10-2 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Proposed Amendments would be potentially significant and unavoidable. This potential impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Noise

Finding and Explanation

The Final EA found that reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related (land based) impacts and long-term operational (land based) impacts on noise resources. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells. An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling, refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. As described in greater detail in the Final EA, implementation of the Proposed Amendments could result in the generation of short-term

construction noise levels in excess of applicable standards or that result in a substantial increase in ambient levels at nearby sensitive receptors, and exposure to excessive vibration levels. New sources of noise associated with implementation of Proposed Amendments could include operation of manufacturing facilities and mining operations.

The Final EA included Mitigation Measures 13-1 and 13-2, which identify existing statutes and regulations and construction and operational permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 13-1 and 13-2 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 13-1 and 13-2 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Proposed Amendments would be potentially significant and unavoidable. This potential impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Transportation and Traffic

Finding and Explanation

The Final EA found that reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related (land based) impacts and long-term operational (land based) impacts on transportation and traffic resources. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells. An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling,

refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. As described in greater detail in the Final EA, construction of new infrastructure and facilities would result in short-term construction traffic (primarily motorized) in the form of worker commute and material delivery trips. Depending on the amount of trip generation and the location of new facilities, implementation could conflict with applicable programs, plans, ordinances, or policies (e.g., performance standards, congestion management); and/or result in hazardous design features and emergency access issues from road closures, detours, and obstruction of emergency vehicle movement, especially due to project-generated heavy-duty truck trips. Long-term operational-related activities associated with deliveries and distribution of goods could result in the addition of new trips, which could affect roadway service levels. New facilities may result in additional egress/ingress points or increased traffic that would result in hazardous conditions on local roadways. Inadequate access may impede emergency vehicle access to new facilities.

The Final EA included Mitigation Measures 17-1 and 17-2, which identify existing statutes and regulations and construction permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 17-1 and 17-2 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 17-1 and 17-2 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Proposed Amendments would be potentially significant and unavoidable. This potential impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Tribal Cultural Resources

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction related (land based) and long-term operational related (land based) impacts on tribal cultural resources. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells. An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling, refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. As described in more detail in the Final EA, the Proposed Amendments could result in construction of a variety of facilities, including for use of alternative fuels, which would require ground disturbance. In general, harbors and marinas are in industrial, previously disturbed locations. Regardless, there is a possibility that they may be in or adjacent to a region that is a tribal cultural resource or that contains a tribal cultural resource. Facilities outside of harbors and marinas may also be in areas that are or contain these resources. Presence of new infrastructure may change the setting or other attributes of the surrounding area, which could adversely affect tribal cultural resources, as determined by a California Native American Tribe. The increased demand for lithium-ion battery storage and fuel cells could result in an extremely small increase in lithium and platinum mining. Ground disturbing activities from hard rock and continual brine mining activities could affect areas and resources that are considered tribal cultural resources, particularly if that location is considered a sacred place of cultural value to a Tribe.

The Final EA includes Mitigation Measure 18-1, which identifies existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county

governments. Therefore, the Board finds that the authority to implement Mitigation Measure 18-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 18-1 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Proposed Amendments would be potentially significant and unavoidable. This potential impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Utilities and Service Systems

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction related (land based) and long-term operational related (land based) impacts on utilities and service systems resources. Reasonably foreseeable compliance responses to the Proposed Amendments include vessel replacement, vessel engine replacement, modifications to vessel engines, and vessel retirement. Production of the majority of new vessels is expected to occur outside of California, and most retired vessels are expected to be sold out of state. For both excursion vessels and short-run ferries, the most likely technology to be used is battery electric. Battery-electric technology could result in an extremely small increase demand for lithium-ion based batteries, similarly increasing manufacturing and recycling activities at existing facilities domestically and abroad as well as increasing lithium mining and exports from countries with raw mineral supplies. It is possible that compliance responses may contribute at some level to demand for fuel cells. An increase in demand for fuel cells could result in an extremely small increase in platinum mining and exports from source countries or other states and increased recycling, refurbishment, or disposal of hydrogen fuel cells. All-electric vessels would require high power charging at one or both sides of their routes. This could result in construction of new infrastructure or modification of existing infrastructure (e.g., high voltage cable lines, power meters, and circuit breaker main cabinets, pile driving to reinforce docks) to facilitate shore power. Implementation of the Proposed Amendments could also require substantial new and improved infrastructure (e.g., pipelines, compressor stations, export terminals, fueling stations) to support the use of alternative fuels, Tier 4 engines, and fuel cells. In addition, the Proposed Amendments could result in new construction or modification of existing infrastructure to support vessel shore power requirements; however, these activities are not anticipated to include structural modification to docks or terminals. As described in greater detail in the Final EA,

depending on the location, new facilities may require new utility service lines and connections. At this time, the specific location, type, and number of new facilities that would be developed is not known and would be dependent upon a variety of market factors that are not within the control of CARB. Therefore, the ultimate magnitude and location of demand for utilities such as water and wastewater cannot be known. However, common impacts to utilities and service systems could include exceedances in wastewater treatment requirements of the applicable Regional Water Quality Control Board, requiring the construction of new wastewater treatment infrastructure and/or plants as well as new or expanded stormwater drainage facilities, producing water demand in exceedance of available water supplies, and generating levels of solid waste that exceeds an existing landfill's capacity.

The Final EA includes Mitigation Measure 19-1, which identifies existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measure 19-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 19-1 should be adopted by those agencies. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Proposed Amendments would be potentially significant and unavoidable. This potential impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Cumulatively Considerable Impacts

The applicable plan containing the appropriate summary of projections for considering cumulative impacts of the Proposed Amendments is the Community Air Protection Blueprint. The analysis of cumulative impacts for the Proposed Amendments included a summary of the cumulative impacts found for each resource area in this plan, and a conclusion regarding whether the Proposed Amendments could result in a cumulatively considerable contribution to an existing significant cumulative impact.

The Final EA concluded the Proposed Amendments could result in a cumulatively considerable contribution to significant cumulative impacts to aesthetics, agriculture and forestry resources, air quality, biological resources, cultural resources, geology and soils,

hazards and hazardous materials, hydrology and water quality, noise, transportation and traffic, tribal cultural resources and utilities and service systems. While suggested mitigation is provided within the respective resource areas of the Final EA analyses that could address the contribution of the Proposed Amendments to each of these potentially cumulatively considerable impacts, the Board finds that because these adverse impacts are potential indirect impacts associated with the compliance responses of covered entities, the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Public agencies with the requisite authority can and should implement the identified measures to the degree feasible.

Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to these resources. Consequently, while cumulative impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the cumulatively considerable contribution of the Proposed Amendments to existing significant cumulative impacts to aesthetics, agriculture and forestry resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, noise, transportation and traffic, tribal cultural resources and utilities and service systems to be potentially significant and unavoidable.

Findings on Alternatives to the Project

In addition to the No-Project Alternative, the Final EA considered a reasonable range of potentially feasible alternatives that could potentially reduce or eliminate the significant adverse environmental impacts associated with the Proposed Amendments, while accomplishing most of the basic project objectives.

The Board finds the alternatives analysis is sufficient to inform the Board and the public regarding the tradeoffs between the degree to which the alternatives could reduce environmental impacts and the corresponding degree to which the alternatives could achieve the project objectives.

Based upon a full evaluation of the alternatives, and the entirety of the record, the Board finds that adoption and implementation of the Proposed Amendments is the most desirable, feasible, and appropriate action for achieving the objectives of the project, and the Board rejects the other alternatives because they either fail to meet most project objectives, or are infeasible based on consideration of the relevant factors identified in the Final EA and briefly described below. Please see the Final EA for a more in-depth discussion and analysis regarding project alternatives.

Alternative 1: No Project Alternative

Alternative 1 in the EA describes a reasonably foreseeable scenario if CARB did not approve the Proposed Amendments. Under Alternative 1, the Proposed Amendments would not be implemented. Owners and operators of vessels subject to the Existing CHC Regulation would maintain their operations, business as usual, without addressing the additional emissions reductions needed to reduce health and environmental burdens of CHC operation Statewide. No additional set of actions would be required to reduce emissions from CHC while operating in and around ports, marinas, or docks, or in Regulated California Waters. There would be no requirements for owners and operators of additional vessel categories to reduce emissions or requirements for owners and operators of CHC to upgrade engines to meet more stringent Tier 3 or 4 + DPF performance standards or adopt Zero-Emission and Advanced Technologies (ZEAT) on their vessels.

The Board finds that the No-Project Alternative would fail to meet most of the project objectives listed in Chapter 2 of the Final EA. No additional CHC vessel categories would be required to reduce emissions and there would not be more stringent requirements for the vessel categories already included in the existing CHC Regulation. Alternative 1 would fail to expand in-use engine standards for CHC and would not help to reduce California's dependence on petroleum. This alternative would not support additional CHC GHG emission reductions by requiring use of renewable and low carbon diesel fuels. Under the No-Project Alternative, heavily burdened communities near ports, harbors, and marinas would not receive the much-needed health benefits of further reducing emissions from CHC as is achieved with the Proposed Amendments. Additionally, Alternative 1 would not assist in attaining SIP requirements. Finally, by not amending the existing CHC Regulation, there would be limited advancement in zero-emission and clean combustion marine technologies in California, including goals of Executive Order N-79-20. For these reasons, the Board rejects this alternative.

Alternative 2: CHC Amendments Without Vessel Owner/Operator Idling Limits and Facility Shore Power Infrastructure Requirements

Alternative 2 would result in implementation of amendments like the Proposed Amendments except it would not include the vessel owner/operator idling limits or facility shore power infrastructure requirements. Most, if not all, CHC that require operation of auxiliary engines while at a dock would comply by the use of shore power. By removing idling requirements, an incentive to install shore power at ports, harbors, and marinas throughout the state would be removed. Additionally, removing idling requirements would eliminate the estimated 12.2 percent of all CHC vessels expected to use shore power statewide as a compliance response.

Although Alternative 2 would meet some of the basic project objectives, it would not meet most of the project objectives as compared to the Proposed Amendments. Specifically, Alternative 2 would not meet the project's objectives of reducing the emissions of harmful air pollutants from harbor craft that especially impact the disadvantaged communities located near seaport operations as effectively as the Proposed Amendments. . Removing idling requirements and associated shore power requirements would marginally decrease the additional public health benefits to communities near where CHC vessels operate

compared to the Proposed Amendments. Additionally, Alternative 2 would not result in as many of the near-source exposure benefits to travelers, workers and other residents as the Proposed Amendments because emissions at marinas would not be reduced as much as under the Proposed Amendments due to lack of shore power. For these reasons, the Board rejects this alternative.

Alternative 3: CHC Amendments Without Requiring Zero Emission Technology for Short-Run Ferries and New Excursion Vessels

Alternative 3 would result in implementation of the Proposed Amendments, except it would not require ZEAT for short-run ferries and new excursion vessels, or the associated requirement to install ZEAT related infrastructure at ports, harbors, or marinas throughout the state. Approximately 16 short-run ferries, 79 other vessels, and 14 excursion vessels are expected to be built or modified to use zero emission powertrains under the Proposed Amendments.

Alternative 3 would not meet the basic project objectives, because the ZEAT requirement is a key component of California's strategy to: reduce the public's exposure to toxic air contaminants; achieve California's State Implementation Plan (SIP) commitments to attain National Ambient Air Quality Standards (NAAQS); meet California's GHG emissions reduction targets; and to accelerate the adoption of zero-emission technology in the marine sector, consistent with Governor Newsom's Executive Order (EO) N-79-20, which directs CARB and other state agencies to develop strategies to achieve 100 percent zero-emission from off-road vehicles and equipment by 2035 where feasible. For these reasons, the Board rejects this alternative.

STATEMENT OF OVERRIDING CONSIDERATIONS

CARB expects that many of the significant adverse impacts identified in the Final EA will be avoided or mitigated; however, since uncertainty exists as to the extent of mitigation that other agencies will require at the site- and project-specific level, the Board is conservatively considering certain impacts to be potentially significant and unavoidable. The Board finds that despite the potential for adverse environmental impacts associated with the Proposed Amendments benefits of the proposed actions are determined to be overriding considerations that warrant approval of the Proposed Amendments and outweigh and override its unavoidable significant impacts. Each benefit set forth below constitutes an overriding consideration warranting approval of the project, independent of the other benefits, despite each and every unavoidable impact. These benefits include:

1. Reducing exposure of air pollution in the most impacted communities by increasing the stringency of performance standards for harbor craft engines under AB 617 (Health & Safety Code Sections § 40920.6, 42400, 42402, 39607.1, 40920.8, 42411, 42705.5, and under Assembly Bill 617);
2. Minimizing near-source exposure and health risk from identified toxic air contaminants, including DPM, produced by fuel combustion pursuant to the Toxic Air Contaminant Identification and Control Act, which established California's program to reduce exposure to air toxics. (Health and Safety Code § 36950 - 36975, Assembly Bill No. 1807, 1983);

3. Attaining the National Ambient Air Quality Standards (NAAQS) for Ozone and PM in all regions of California, as required by the Federal Clean Air Act. The current standards are 80 parts per billion (ppb) 8-hour ozone by 2023, 75 ppb 8-hour ozone by 2031, 12 micrograms per cubic meter annual PM2.5 by 2021 to 2025, and lastly the new federal ozone standard of 70 ppb with attainment dates through 2037. (California Air Resources Board, Revised Proposed 2016 State Strategy for the State Implementation Plan; Health and Safety Code § 39003);
4. Ensuring commercial harbor craft are complying with existing opacity standards set forth in California's HSC section 41701 in California's regulated waters;
5. Requiring, incentivizing, and supporting emerging zero-emission technology that will be needed to achieve CARB's SIP goals;
6. Achieving emission reductions consistent with the Global Warming Solutions Act (Health and Safety Code Sections 38550 et seq.);
7. Spurring technology advancement and economic activity for control system manufacturers, aftertreatment device manufacturers, component suppliers (including ducts and piping), electrical suppliers, design and engineering and construction firms;
8. Taking steps to ensure all Californians can live, work, and play in a healthful environment free from harmful exposure to air pollution, including protecting and preserving public health and well-being, and preventing irritation to the senses, interference with visibility, and damage to vegetation and property (Health & Safety Code Section 43000(b)) in recognition that the emission of air pollutants from motor vehicles is the primary cause of air pollution in many parts of the State (Health & Safety Code Section 43000(a); 43013(b));
9. Achieving reductions in GHGs, ROG, DPM, Nox, and black carbon emissions, supporting California's climate change goals;
10. Reducing potential cancer risk exposure for portside communities, and passengers and crew onboard commercial harbor craft;
11. Advancing research and development for cleaner marine technologies which can be translated on a global scale;
12. Helping support shore power use and provides health benefits to portside communities where shore power technology is used;
13. Reducing noise pollution to port communities as a result of vessel engines required to be shut down while at dock and provides better on-board comfort while at port;
14. Providing fuel and cost savings for vessels using shore power; and
15. Providing additional health benefits relating to avoided hospitalization, reduced mortality, and reduced emergency room visits. The total statewide valuation due to

avoided health outcomes between 2023 and 2038 total \$5.25 billion, which outweigh the regulatory cost at \$1.98 billion.

LOCATION AND CUSTODIAN OF THE RECORD

The documents and other materials that constitute the record of proceedings on which these findings are based are located at 1001 I Street Sacramento, CA 95814. The custodian for these documents is the California Air Resources Board Legal Office, inquiries can be submitted to CaliforniaEnvironmentalQualityAct@arb.ca.gov.