

November 14, 2024

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted electronically to <https://ww2.arb.ca.gov/public-comments/public-comment-request-information-development-clean-road-recognition-program>

Re: Clean Off-Road Fleet Recognition Program Response To Request for Information (RFI)

To whom it may concern:

On behalf of the members of the Pacific Merchant Shipping Association (PMSA), we appreciate the opportunity to provide input on the development of the Clean Off-Road Fleet Recognition Program. PMSA represents ocean carriers and marine terminal operators at California's public ports. Our members are on the cutting edge of zero emission equipment and off-road vehicle uptake, and we appreciate the support of CARB as this transition progresses. Our members have endeavored to participate in demonstrations and pilot projects and it is through this experience that we recommend that the Clean Off-Road Fleet Recognition Program allow all equipment purchased in compliance with current regulations (or current at the time of purchase) and that meet the standards and definitions for zero-emission set forth under European Union Regulation No. 2019 / 1242 to be allowed to remain in service without penalty until the conclusion of its useful life.

Globally, the maritime industry has aggressively worked to replace equipment and vehicles with zero-emission options. This transition is challenging given that much of these products are in the nascent stage of development, not yet widely commercially available, and, when available, impeded in its deployment by infrastructure challenges. Additionally, global and federal regulations are still evolving in this space as the equipment innovates. As a result, our members have navigated the complex dual interests of exceeding regulatory compliance requirements to net early and additional emission reductions and fiscal prudence taking on financial and operational risk with the experimental equipment.

It should be noted that internationally and nationally, regulations for CHE are not uniform, but the maritime industry is international by nature, resulting in variations of regulations and standards. Given that the volume of cargo handling equipment being used in California is not large enough to serve as a market maker for California-only compliant CHE, equipment that is being produced for purchase will either be compliant at a global level or custom built.

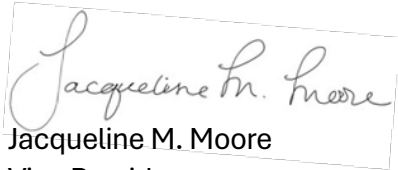
An overarching concern in this space is the ability to protect investments in advanced technologies from being rendered obsolete in future rulemakings prior to the completion of the equipment's useful life. Investing in a stranded asset is a risk our members are reluctant to make as it creates

unacceptable financial instability for the industry. **Therefore, our primary comment for the Clean Off-Road Fleet Recognition Program is for CARB to allow all equipment purchased in compliance with current regulations (or current at the time of purchase) and that meet the standards and definitions for zero-emission set forth under European Union Regulation No. 2019 / 1242 to be allowed to remain in service without penalty until the conclusion of its useful life.**

Most cargo handling equipment has a useful life of 15 years, frequently ranging up to 20 years. Purchasing equipment is a very costly endeavor, in excess of millions of dollars for many individual pieces, and it must be budgeted for years in advance. Consequently, it is critical that these investments be made cautiously and with minimal risk. Having to retire equipment years in advance of what is expected creates an untenable fiscal risk to our members and makes participating in demonstrations or pilot projects unattractive.

Thank you for your consideration. For additional information on this issue, please feel free to contact me at jmoore@pmsaship.com.

Sincerely,

A handwritten signature in cursive script that reads "Jacqueline M. Moore". The signature is written in dark ink on a white rectangular background.

Jacqueline M. Moore

Vice President