

March 11, 2024

Assemblywoman Diane Dixon
State Capitol P.O. Box 942849
Sacramento, CA 94249-0072

Attn: Hannah Skaggs
Email: Hannah.skaggs@asm.ca.gov

Re: SUPPORT A.B. 3153

Dear Assemblywoman Dixon,

I am writing on behalf of the South Orange County Economic Coalition (SOCEC) Board of Directors to express our support for AB 3153, which would exempt the Ferry from CARB regulations for a period of 15 years or until commercially viable electric motor technology is developed to comply.

As South Orange County's leading voice of business, SOCEC is the driving force advocating for a strong local economy. Our organization covers a region that creates more than \$25 billion in economic activity annually. Therefore, it is our responsibility to advocate on behalf of local businesses for policies that positively impact the market environment in South Orange County and contribute to the prosperity and economic growth of the region.

The Balboa Ferry in Newport Harbor, owned and founded by the Beek family, has operated and played a crucial role in the South Orange County economy for almost 100 years. Each year, the Ferry transports 300,000 vehicles and 1.5 million people across Newport Harbor. Thus, it is imperative that the Ferry retain the ability to operate without being required to adhere to burdensome regulations that threaten its ability to do business in the region.

The California Air Resources Board (CARB) has adopted regulations that will effectively put the Ferry out of business by requiring it to convert to electric motors. According to expert analysis, electrification technology does not currently exist for the Ferry to continuously operate without adding external floatation devices to the hull due to significant battery weight. It is unreasonable to expect the Ferry to meet this demand by the regulatory deadline. Currently, the Ferry uses an annual average of just 26 gallons of high-grade diesel fuel per day. Thus, the CARB electric motor conversion regulations impose an undue burden on the Beek family's small business.

In addition, the Ferry serves as an essential mode of transportation in coastal Orange County and effectively mitigates traffic congestion. The Ferry is used by one million annual tourists and residents. Should it be forced to cease operations, it would require individuals to travel via the already congested Pacific Coast Highway. Increasing the severity of such congestion would create dramatic inefficiencies through increased commute times. This consequence would not only negatively impact the South Orange County economy, but it would prove counterproductive to the environmental goals set out by CARB's carbon-neutral regulations.

For the aforementioned reasons, we support the passage of AB 3153.

Thank you for considering our concerns regarding this matter.

Respectfully,

Victoria Hernandez

Executive Director

South Orange County Economic Coalition