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September 15, 2026

The Honorable James Gallagher
U.S. House of Representatives
408 Cannon House Office Building
Washington, D.C. 20515

Dear Representative Gallagher,

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business advocacy organization, I write in support of H.J. Res 213. This resolution would repeal the Environmental Protection Agency's (EPA) "California State Nonroad Engine Pollution Control Standards; Commercial Harbor Craft Regulations; Notice of Decision" rule which mandated that harbor vessels install more expensive zero-emissions engines. This regulation increased operating and energy costs for small businesses and consumers in California and across the country.

In a recent NFIB member ballot, 88% of NFIB members support streamlining regulations on the production and transportation of energy sources.[1] Unworkable emissions regulations increase costs for all businesses, as shown by the fact that 92% of our members indicated that their energy costs have increased from 2022 - 2025.[2] This EPA rule is no different. It will increase operating costs and regulatory burdens for small businesses that operate tugboats, ferries, commercial fishing, and many other vessels, that will then be passed on to consumers in the form of higher prices.

In 2008, the EPA authorized the California Air Resources Board (CARB) regulation requiring commercial harbor vehicles to adopt newer, more expensive engines. This mandate would require small businesses to retrofit their fleets to ensure compliance, which places a significant cost on small businesses. As with other regulations, this California policy extends beyond the California's border as other states can adopt the CARB rule. Additionally, state mandates driven by one state such as California can become a de facto national regulation as manufacturers seek to comply with the state law or regulation. In other words, what begins as an EPA waiver for California can quickly become a nationwide mandate, driving compliance and regulatory costs up for small businesses across the country.

Nearly all small businesses (80%) report that energy costs have become a "significant" or "very significant" factor in operating their business.[3] Overly complex and unworkable emissions regulations, such as this this EPA rule, hurt entrepreneurs and their employees across the country.

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[1] NFIB Member Ballot, Mandate, vol. 582., March 2023, *Should Congress streamline regulations to facilitate the production and transport of oil, natural gas, and other energy sources in the United States? (Yes: 88% No: 6% Undecided: 6%)*
[2] Holly Wade, Peter Hansen, and Madeline Oldstone, Small Business Energy Survey, *NFIB Research Center*, February 2026. https://www.nfib.com/wp-content/uploads/2026/02/NFIB-2026-Energy-Survey.pdf.
[3] *Ibid.*

NFIB is proud to support H.J. Res. 213, and we look forward to working with you to reduce red tape and energy costs for small businesses in California and across the country.

Sincerely,

Louis A. Bertolotti
Principal, Federal Government Relations
NFIB