



Thomas C. Escher  
President

March 27, 2018

California Air Resources Board  
1001 I Street  
Sacramento, CA 95815

RE: Volkswagen Settlement – Environmental Mitigation Trust for California

Dear California Air Resources Board Staff,

Thank you for the opportunity to provide comments on ARB's development of a FY 18-19 Low Carbon Transportation Funding Plan. Red and White Fleet supports ARB's effort to reduce greenhouse gas (GHG) emissions in California, and appreciates investments made to date, including the funding eligibility for zero-emission marine within the heavy-duty vehicle, freight, and off-road equipment projects.

Red and White Fleet, operating in San Francisco Bay since 1892, offers many different types of marine transportation services, including ferries, charters, and sightseeing tours, offering more than 5,000 cruises departing from Fisherman's Wharf each year. Red and White Fleet will be deploying the first purpose-built aluminum hulled, lithium-ion battery plug-in hybrid vessel that will provide the opportunity for all Californians and visitors to ride a state-of-the-art hybrid electric vessel. The 600 passenger vessel, to be christened *Enhydra* (a tribute to the California sea otter), is the first step for Red and White Fleet to reach its goal of reaching a zero-emission fleet by 2025.

As part of the ongoing efforts to provide zero-emission marine transportation, Red and White Fleet recently partnered with Golden Gate Zero Emission Marine to commercialize zero-emission battery electric and hydrogen fuel cell maritime vessels. We greatly appreciate the preliminary award of \$3 million from California Climate Investments to help develop and deploy the first fully zero-emission, hydrogen fuel cell passenger ferry in the United States, which will provide zero-emission marine transportation for disadvantaged communities throughout the Bay Area in late 2019. The Project will utilize the same hydrogen fuel cell technology from the public transit bus sector, demonstrating the benefits of technology transfer within the heavy-duty sector.

In order to build on the success of these initial projects, there is an immediate opportunity to commercialize and scale zero-emission marine vessels and associated infrastructure to transform the California marine industry to zero-emission.

As part of the FY 2018-2019 Low Carbon Transportation Funding Plan, Red and White Fleet strongly supports funding for zero-emission marine and charging infrastructure in order to reduce greenhouse gas emissions and eliminate toxic diesel emissions from the marine industry, as well as provide greater public access to advanced technologies and related health benefits. Specifically, Red and White Fleet respectfully requests the heavy-duty programs include eligibility for zero-emission marine and infrastructure projects to transfer the lessons learned and technology of the on-road heavy-duty sector to the marine sector in order to transform the marine industry to zero-emission.

Red and White Fleet supports ARB's portfolio of California Climate Investments and appreciates the opportunity to provide feedback on the Low Carbon Transportation Funding Plan. We look forward to continuing to work together to expand access to zero-emission marine technologies and infrastructure and help reduce GHG emissions in California.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Escher", with a long horizontal flourish extending to the right.

Thomas C. Escher