



Thomas C. Escher
President

March 27, 2018

California Air Resources Board
1001 I Street
Sacramento, CA 95815
Sincerely,
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 the California Air Resources Board's (ARB) discussion document and development of a Beneficiary Mitigation Plan as part of the Volkswagen Settlement Appendix D: Environmental Mitigation Trust (EMT). Red and White Fleet strongly supports efforts to improve air quality and mitigate hazardous NOx and other criteria pollutants.

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.

Red and White Fleet strongly support the proposed allocation of funding for Zero-Emission Freight/Marine and Combustion Freight/Marine, and specifically the inclusion of ferries and other marine applications. In order to realize the benefits of eliminating mobile NOx emissions and improving air quality in California's disadvantaged communities, Red and White Fleet respectfully requests including eligibility for zero-emission marine ferry or tugboats. Specifically, Red and White Fleet recommends including up to 75% of the total cost for zero-emission marine ferry or tugboats in order to help transform the California marine industry to zero-emission, and fully mitigate the hazardous NOx and other criteria pollutants.

Thank you for the opportunity to provide comments on the Environmental Mitigation Trust and Beneficiary Mitigation Plan development. We look forward to continuing to work together to help carry out the goals of the Volkswagen Settlement Consent Decree and EMT.

Sincerely,

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Thomas C. Escher