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Lisa Williams
California Air Resources Board, Mailstop 5B
P.O. Box 2815
Sacramento, California 95812-2815

Re: Volkswagen Consent Decree Environmental Mitigation Trust Beneficiary Mitigation Plan

Dear Ms. Williams:

Airlines for America® (“A4A”) would like to thank the Air Resources Board (“ARB”) for the opportunity to comment on the State’s use of the Volkswagen Consent Decree Environmental Mitigation Trust funds and encourage the State to include projects that replace or repower airport ground support equipment with all-electric forms (“GSE projects”) as an eligible mitigation action in its Beneficiary Mitigation Plan.

A4A is the principal trade and service organization of the U.S. airline industry.¹ A4A and its airline members have a strong record of advancing environmental goals, including actively supporting efforts to achieve and maintain clean air, while also driving economic growth. For example, emissions from the commercial aviation sector constitute less than two percent of domestic greenhouse gas emissions nationally and have had much slower growth from 1990 levels (5%) compared to the transportation sector overall (17%) and on-road sources in particular (24%).² In addition, A4A and its members are working with ARB to incorporate sustainable alternative jet fuels into its Low Carbon Fuel Standard to further reduce aviation’s impact on the environment. At the same time, our industry drives the national and state economies. In California in 2012, civil aviation contributed over \$168.6 billion in economic output, \$36 billion of which was attributable to commercial airline operations alone. Civil aviation also supported over 1.2 million jobs and contributed 4.7 percent to the state’s gross domestic product. California was the top state in aviation-related manufacturing, commercial airline visitor expenditures, and value of air freight flows, contributing \$34.9 billion, \$76.0 billion, and \$113.7 billion in economic output, respectively.³

¹ A4A’s members are: Alaska Airlines, Inc., American Airlines, Inc., Atlas Air, Inc., Federal Express Corporation, Hawaiian Airlines, JetBlue Airways Corp., Southwest Airlines Co., United Continental Holdings, Inc., and United Parcel Service Co. Air Canada, Inc. is an associate member.

² See U.S. Environmental Protection Agency, Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2014 (April 2016), Table A-115. Moreover, this lower rate of growth is from a much smaller base.

³ Federal Aviation Administration. The Economic Impact of Civil Aviation on the U.S. Economy: Economic Impact of Civil Aviation by State (2015), available at https://www.faa.gov/air_traffic/publications/media/2015-economic-impact-report.pdf. Nationally, commercial aviation drives 10.2 million U.S. jobs, \$1.5 trillion per year in economic activity and 5 percent of U.S. gross domestic product.

U.S. airlines have achieved this level of simultaneous economic and environmental performance because we have relentlessly pursued and implemented technology, operational, and infrastructure measures to minimize our environmental impact. Among these measures, A4A member airlines have proactively worked with airports around the country to reduce emissions through cost-effective electrification of GSE. The United States and California have recognized the significant contribution GSE electrification can provide by naming it as an “Eligible Mitigation Action” (“EMA”) that qualifies for funding from the Environmental Mitigation Trust (“Trust”) established under the Volkswagen Consent Decree.

In accordance with the Consent Decree, A4A member airlines are well positioned to assist the State in making cost-effective, sustained emissions reductions in areas that bear a disproportionate share of the air pollution burden in California. GSE projects are often located in areas that receive a disproportionate quantity of air pollution from diesel fleets simply because airports are major hubs of economic activity. Because GSE are only operated on airport grounds, the State will have confidence in knowing that when it funds GSE projects the emissions benefits will be realized in a specific locality that likely needs prioritization according to the Consent Decree’s terms. Additionally, emissions reductions from GSE projects will improve air quality not only for the surrounding residents but also for workers on airport grounds.

Moreover, GSE projects are cost-effective. Member airlines have unlocked state grant funds with cost-effectiveness thresholds in the past,⁴ and that experience readies them to propose equally cost-effective projects to make real differences in the local air quality surrounding airports in California.

Similarly, member airlines and the airports they partner with have demonstrated experience and programmatic structures in place to effectively and efficiently implement GSE projects to reduce emissions. Member airlines have experience with the Federal Aviation Administration’s Voluntary Aircraft Low Emissions (“VALE”) Program, the Carl Moyer Program, and other state and local programs, and have implemented their qualifying projects effectively and efficiently. In fact, the VALE Program provided funding for ground power and preconditioned air at over 100 gates and 11 pieces of electric GSE at airports in California. In addition, the Carl Moyer Program provided funding that allowed one of our members to convert 87 pieces of GSE to all-electric forms at San Francisco International Airport. Securing funding from the Trust for GSE electrification will allow the airlines to realize additional air quality benefits for communities across California.

More specifically, our member airlines have expressed interest to repower or replace over 300 pieces of equipment at Los Angeles International, San Diego International, San Francisco International, Norman Y. Mineta San Jose International, Santa Monica Municipal, Sacramento International, and John Wayne airports. Implementing GSE projects at these airports will improve air quality for the Californians living in these communities.

Given this close alignment between the benefits projects to electrify GSE bring and the priorities suggested by the Consent Decree, A4A strongly encourages ARB and the State to include all-electric GSE as an option in its mitigation plan and to ensure an effective and efficient process for disbursement of Trust funds for this highly beneficial EMA.

A4A also urges California to carefully consider allocation of funds to the DERA Option. The requirements projects must meet to fulfill program requirements under DERA decrease the scope of projects that could possibly be funded through the Trust. Projects that may not fit within the project criteria of DERA may

⁴ See e.g., Carl Moyer Program Guidelines (2011), Appendix G, available at <https://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>.

nonetheless effectively reduce emissions. California should not limit the types of projects applicants can use by over-allocating funds to the DERA Option.

At this early stage in the Consent Decree's implementation, A4A believes it is premature to comment in detail on procedures that may be applied in distributing funds under the Trust and urges the State to provide further opportunities for relevant stakeholders to comment on the path the State chooses in implementing the Trust. Nevertheless, we are confident that our industry will develop multiple proposals to replace and/or repower GSE with electric alternatives at commercial airports in the State. Accordingly, we trust that any procedures adopted by the State will allow full and fair consideration of GSE projects as envisioned by the United States and the approving court under the Consent Decree and that the State will identify GSE projects in its Beneficiary Mitigation Plan as a category of EMAs it plans to fund through the Trust.

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Thank you for your consideration. Please let us know if you have any questions regarding our comments, and we look forward to working with ARB and the State moving forward.

Sincerely,



Veronica Bradley
Manager
Environmental Affairs
Airlines for America

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