Tim Taylor
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Statement of Airlines for America
Public Hearing to Consider the Proposed Readoption of the Low Carbon Fuel Standard

My name is Tim Taylor. I am testifying on behalf of Airlines for America® (A4A), representing major U.S. passenger and cargo airlines. A4A is testifying to request that ARB include alternative jet fuel – also known as "bio-jet fuel" – as eligible credit-generating fuel under the LCFS. A4A's testimony builds upon its July 2014 letter to ARB, October 2014 comments on the LCFS Program Review, and February 2015 comments on this rulemaking.

A4A takes its role in controlling greenhouse gas emissions very seriously. For example, our members have improved their fuel efficiency by 120% since 1978, saving 3.8 billion metric tons of CO_2 emissions. Despite representing only 2% on the nation's GHG emissions inventory, A4A's members are part of a global aviation coalition that has adopted aggressive GHG reduction goals going forward. One key strategy to achieving these goals is the use bio-jet. In California, United Airlines has executed an agreement with AltAir Fuels for the purchase of up to 15 million gallons of bio-jet over a three-year period to begin in 2015.

Unfortunately, the production of bio-jet is currently disincentivized in California because it is not eligible for LCFS credits. The LCFS unnecessarily distorts the biofuels market by favoring the production of renewable diesel over bio-jet, even though both fuels can be produced from the same facility and deliver comparable lifecycle GHG reductions. Indeed, as a result of the LCFS not crediting bio-jet fuel, AltAir is reducing the total available production of renewable jet fuel for United and others to purchase. Creating such disincentives for producers like AltAir (and thereby suppressing demand from airlines like United) is contrary to the GHG reduction goals of the LCFS and is inappropriate in light of the critical and unique role the airline industry can play in helping to obtain financing for advanced biofuel facilities through dedicated off-take agreements.

Rather than incentivizing facilities to produce renewable diesel instead of bio-jet, ARB should allow for credit from either renewable diesel or bio-jet and allow the market to determine where the fuel is allocated. This approach would result in equivalent environmental benefit, lend more certainty to ARB's fuel availability projections, eliminate concerns that the LCFS inhibits bio-jet production, and create additional compliance flexibility and cost-containment opportunities.

Crediting the voluntary production of bio-jet would not impermissibly regulate aircraft fuels, but would simply create opportunities for airlines to support California's GHG objectives. Indeed, Oregon DEQ recently clarified that bio-jet is an eligible credit generating fuel under the Oregon Clean Fuels Program, which is also fully in-line with EPA's approach under the Renewable Fuel Standard.

A4A strongly urges ARB to similarly credit bio-jet fuels under the LCFS. Several other stakeholders have also previously urged ARB to do so, and ARB committed in the 2009 FSOR F-sne to explore this issue in both the 2011 and 2015 program reviews. Unfortunately, ARB has not yet done so, despite A4A comments last year noting this commitment. Given the strong interest in bio-jet in California, A4A believes the time is ripe for ARB revisit this important issue.