

COTB@ARB

From: Susana Gonzalez Edmond <susana@edmondgroupllc.com>
Sent: Wednesday, February 21, 2024 11:29 AM
To: ARB Clerk of the Board
Subject: Public Comment for Proposal to Regulate Jet Fuel
Attachments: 2024-02-20- LetterofOpposition_CARB proposal - 20240118.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Categories:

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning,

I have been experiencing technical difficulties since yesterday to submit public comments on behalf of the Long Beach Area Chamber of Commerce to the CARB Board regarding the plans to regulate jet fuel. Please accept our attached letter and let me know if there is anything else I would need to do. Thank you for your attention. Susana

Susana Gonzalez Edmond, Principal
susana@edmondgroupllc.com

📞 (562) 532-7600 📠 (562) 519-1563

edmondgroup

A Full-Service Government Relations Firm
Bridging the gap between business, government, politics & the media.



February 20, 2024

Liane M. Randolph
John Eisenhut
Susan Shaheen, Ph.D.
John R. Balmes, MD
Diane Takvorian
Cliff Rechtschaffen
Dean Florez
Hector De La Torre
Davina Hurt
V. Manuel Perez
Eric Guerra
Nora Vargas
Tania Pacheco-Werner, Ph.D.
Gideon Kracov
Henry Stern, Senator, Ex Officio Member
Eduardo Garcis, Ex Officio Member

California Air Resources Board
P.O. 2815
Sacramento, CA 95812

Re: Opposition to California Air Resources Board Proposal to Regulate Jet Fuel

Dear CARB Board Members,

The Long Beach Area Chamber of Commerce is writing to share our serious concern and opposition to the recent California Air Resources Board (CARB) proposal to regulate jet fuel under its Low Carb Fuel Standard (LCFS) program.

The Long Beach Area Chamber of Commerce is a non-profit business association with approximately 800 members, both individual and corporate, representing the majority of the city's private sector and virtually every economic interest of the city. The Long Beach Chamber acts on behalf of the business community to improve the city's economic and jobs climate by representing businesses on a broad range of legislative, regulatory, and legal issues.

-continued-

The U.S. airline industry plays a vital role in California's economy. Furthermore, the industry is committed to reducing its climate impact and achieving "net zero" carbon emissions by 2050. Transitioning to Sustainable Aviation Fuels (SAF) is core to this commitment, and the industry has pledged to work with governments and other stakeholders to make three billion gallons of SAF available in the United States by 2030. Achieving these goals requires new and additional policy incentives, streamlined permitting processes, and close collaboration among airlines, fuels industry, manufacturers, environmental organizations and governments, among others.

With respect to SAF, California has established itself as an early leader in attracting investment, production, and use of SAF through the existing Low Carbon Fuels Standard (LCFS) Program, which provides an opt-in credit for SAF that helps reduce the price difference between SAF and conventional jet fuel. This voluntary regulatory structure has been successful in enabling the growth of the SAF market in California and across the country. CA has the most viable market for SAF today in the United States and as airlines increase their demand for SAF the market continues to grow.

Aviation accounts for 2.6% of the US GHG emissions but 5% of US GDP and 4.1% of CA's GDP. There are 380 thousand employees of US Commercial aviation firms based in California, with an overall economic impact of \$194 billion¹. Aviation is critical to driving California's economy and it's rank as the 5th largest economy in the world, enabling \$114 Billion in annual trade flows and underpinning the of many of the rest of California's biggest economic drivers such as agriculture, tourism, manufacturing, banking, technology and small business. Ensuring a healthy and vibrant aviation industry is essential to California's future, and leveraging CARB's early leadership on SAF can enable California leadership in the emerging SAF production industry, creating new jobs and economic development opportunities.

With this context, we express our serious concern with a new proposal by the California Air Resources Board (CARB) to regulate jet fuel as an obligated fuel under the LCFS Program. CARB's proposed changes to the LCFS program include a proposal to eliminate the existing exemption for conventional jet fuel use for flights within the state of California. This proposed change is unlikely to result in increased SAF production, availability, or use in California, but would lead to higher jet fuel prices. The primary impediment to increased SAF production and availability in California remains the higher cost of SAF for producers and buyers relative to conventional jet fuel and renewable diesel. The CARB proposal would not meaningfully address this fundamental challenge and therefore unlikely to meaningfully increase SAF supply or use.

The proposal seeks to regulate jet fuel and reduce emissions from aviation, both of which are pre-empted under federal law a fact that CARB recognized when it exempted jet fuel in 2018.² Aviation has unique circumstances, that go beyond

¹ [The Economic Impact of Civil Aviation on the U.S. Economy, State Supplement, US Department of Transportation, November 2020](#)

² CARB stated that "[s]ubjecting aircraft fuels to annual carbon intensity standards would raise federal preemption issues" *available at*

considerations of interstate commerce, for the safe operation and maintenance of aircraft that the federal government has recognized in the EPA's Clean Air Act and the jurisdiction of the FAA. These statutory authorities establish clear and broad federal authority for regulating jet fuel and aircraft engine emissions that pre-empts California from regulating jet fuel under the LCFS program.

Moving forward with eliminating the fossil jet fuel exemption and implementation of a new obligation will likely result in litigation that will be lengthy, costly and do nothing to advance the mission of more SAF production and uplift. Engaging in litigation will divert resources from the state and the aviation industry that would be better spent enabling greater SAF production. Our mutual interest is to increase SAF production, availability, and use and the most effective way to accomplish this is to continue the positive, collaborative approach represented by the existing "opt-in" mechanism developed by CARB and the aviation community.

Based on these considerations, we urge CARB to reconsider and withdraw the proposal to remove the exemption for jet fuel for intrastate flights and instead preserve the existing opt-in approach for SAF and partner with the aviation sector and stakeholders across the emerging SAF ecosystem on new policies and approaches to rapidly increase the availability of SAF in California. We urge CARB to focus on the ultimate goal – how to get more SAF into planes in California by reducing barriers to production, availability and use.

Sincerely,



Jeremy Harris
President & CEO
Long Beach Area Chamber of Commerce

JH:sgc