

Re: SEIU-USWW Public Comments on Proposed Low Carbon Fuel Standard Amendments

Our Union & Member Communities

SEIU United Service Workers West (USWW) represents nearly 45,000 janitors, security officers, entertainment & stadium workers across California, including thousands of workers at LAX, SFO and other airports throughout the state. Our membership primarily consists of workers within low-wage industries, including aviation. Many of our members reside in communities near major airports and within their flight paths. For decades, these communities - largely Black and Brown - have endured exposure from an array of toxic pollutants produced by airport operations, adding on to the decades of environmental racism these cities and neighborhoods have faced from other sources.

SEIU USWW recognizes the detrimental health impacts on our membership and communities produced by commercial aviation's dependency on fossil fuel consumption. For years, we've fought to raise industry standards at the bargaining table, but more recently have been expanding our commitment to confronting the environmental racism and inequity that our members and their communities face as a result of this industry's continued and ever-expanding operations.

California's LCFS & Commercial Aviation's Immense Privilege

It is for these reasons that we are excited to see CARB taking steps to decarbonize aviation by finally ending the industry exemption and incorporating conventional jet fuel (CJF) into the Low Carbon Fuel Standard. This is long overdue: Sustainable Aviation Fuel (SAF)¹ has been a credit-generating fuel under the LCFS for years, but it's difficult to imagine airlines prioritizing a meaningful transition to more sustainable fuels while their older, polluting fuels continue to draw hundreds of millions of dollars worth of subsidies and savings from the state.

The carveout for CJF saves the airlines an estimated \$110 to \$360 million each year on the cost of that fuel.² The exemption from sales & use taxes for fuel used in international flights cost state and local governments nearly \$300 million last year³, and the jet fuel exemption from excise taxes saves airlines about \$29 million a year.⁴

This heavily subsidized, minimally regulated dynamic for aviation will have to be changed in order to transition to a sustainable industry and meet California's ambitious climate goals. It's simply a matter of when and how.

¹ Called "Alternative Jet Fuel" under the program

² State fuel use estimated using DoT T-100 data on available seat miles originating in state & DoT data on national airline fuel consumption for 2019

³ CA Dept. of Tax and Fee Administration, Aircraft Jet Fuel - Frequently Asked Questions; CA Dept. of Finance, Tax Expenditure Reports, 2023-24

⁴ CA Dept. of Finance, Tax Expenditure Reports, 2023-24

Intrastate Jet Fuel in the LCFS - A Great *First Step*

SEIU USWW is encouraged to see CARB continuing to move forward on a proposal to subject conventional jet fuel to the LCFS standards - a direction that our union has been on the record in support of for years now.⁵ We know that the agency has been exploring the concept since at least 2021,⁶ and are happy to see this idea move toward implementation. This is a great first step, but we do want to emphasize that it can't be the last one. The latest proposal will only cover fuel used in intrastate flights - flights that represent an extremely small portion of overall emissions from aviation activity: just 3% of emissions nationally, and less than 6% in California.

California's aviation sector accounted for about 34 million metric tonnes of CO₂ emissions in 2018, and only about 2 million were the result of intrastate flights.⁷ Nationally, intrastate flights make up only about 3% of CO₂ emissions in the United States. Nearly two-thirds of domestic aviation's CO₂ emissions - 112 million metric tonnes in 2019 - come from domestic flights, but of that, only 6 million comes from intrastate flights.

We view any progress toward reckoning with aviation's climate impact on California residents and communities as both welcome and overdue, but this should be the beginning of a much more comprehensive effort that California is uniquely positioned to lead on. Intrastate flights are a drop in the bucket (though still a very important departure from the status quo), and ending there runs the risk of greenwashing the industry's outsized climate impact by focusing our state policy solutions for aviation on such a small fraction of fuel and emissions.

CARB needs to set a clear path toward bringing jet fuel used in any flights combusted over California into the LCFS, not just the flights that begin and end in our state. A policy that stops short of that needs to also include some kind of commitment toward obligating more of the fossil jet fuel as time goes on. Ongoing analysis of the supply of SAF and growth in the aviation sector needs to take place so that CARB can increase the obligated fuel beyond this current rulemaking. Without a plan to take on more than just intrastate flights, growth in overall aviation activity stands to outpace any gains made in discouraging the continued use of fossil jet fuel.

Implementation Delay to 2028 is Unnecessary

Currently, CARB is proposing a 2028 implementation date for the obligation of intrastate jet fuel under the LCFS.⁸ Given that the proposal has been scaled back significantly to just fuel used in intrastate flights, we feel that this kind of delay is excessive and unnecessary. The intrastate limitation means that over 90% of the industry's fossil jet fuel is still exempt from the LCFS, four years of additional grace period for the small share of fuel that will be obligated by the latest proposal is gratuitous. By 2028, SAF will have been eligible for LCFS credits for nearly a full decade - it is clear at this point that significant and urgent action is needed in order to encourage the industry to take their transition away from fossil fuels much more seriously.

Just a few years ago, the industry and the Biden administration both committed to SAF production goals of at least 3 billion gallons a year by 2030 - a figure that would total not even 7% of US jet fuel consumption in 2023, and stands to amount to an even smaller proportion of what that total would be in

⁵ SEIU USWW, "Re: CARB Draft 2022 Climate Change Scoping Plan Update," 6/23/2022

⁶ CARB, Public Workshop: Potential Future Changes to the LCFS Program, 12/7/2021

⁷ Zheng & Rutherford, ICCT, "Reducing aircraft CO₂ emissions: The role of U.S. federal, state, and local policies," February 2021

⁸ CARB, Staff Report: Initial Statement of Reasons, 12/19/2023

2030.⁹ If the scope of the LCFS' jet fuel obligation does not expand beyond intrastate flights, a delay to 2028 is unjustified. A policy that is no more ambitious than the industry's own plans and projections will do little to actually encourage a shift away from fossil fuels that wouldn't have occurred already.

SAF Needs Strong Guardrails

Given how far out we are from truly zero-emission solutions at commercial scale in aviation, the industry will have to rely on Sustainable Aviation Fuel in the near term. But as supply ramps up, smart policy is necessary to ensure that this short-term bridge fuel doesn't create long-term problems. The industry has consistently worked to dilute sustainability standards for SAF¹⁰, and there is a real possibility of the market being flooded with SAF that fails to significantly reduce lifecycle greenhouse gas emissions. Taking on SAF as a bridge fuel only makes sense when paired with strong guardrails. A cap on crop-based feedstock would be ideal, as well as a strong framework for assessing the sustainability of SAF feedstock. Even now, the industry has been pushing for changes at the federal level that would undermine the ways in which the overall emissions impacts of SAF are assessed.¹¹ CARB's evolving policies on aviation must ensure that we are not simply trading problematic fossil fuels for problematic SAF.

Next Steps

At SEIU USWW we strongly support efforts to incorporate conventional jet fuel into the LCFS program and will continue to advocate for this kind of policy - though we believe that CARB can and should still include the fuels used in interstate and international flights in current proposals. Falling short of that, CARB should reopen the LCFS rulemaking a couple years from now to chart that path. Within the current rulemaking though, we find the proposed 2028 implementation date excessively generous given the minimal share of flights affected by limiting the program's obligations to intrastate flights only, and are calling for this to be pulled back to 2025 or removed entirely. Finally, we believe a cap on crop-based SAF feedstock is warranted, and as clarity increases with respect to the supply chain for Sustainable Aviation Fuel we hope to see stronger sustainability criteria for SAF feedstock within the LCFS. It should be an ongoing concern for CARB to fight the industry's efforts to undermine the ways in which the emissions impact of different feedstock is assessed.

We believe that meeting California's ambitious climate goals will require a sober-minded view of the sources of carbon emissions, and that decarbonizing aviation is a necessary challenge that our state must overcome. We are encouraged by this policy as a first step and optimistic about the legal viability of this direction. We look forward to continued and increased collaboration with CARB in the years to come as we work to bring true accountability to an industry with so many stakeholders in our workplaces and communities.

Sincerely,



David Huerta
President - SEIU United Service Workers West & SEIU California

⁹ US DoT, Bureau of Transportation Statistics, Fuel Cost and Consumption, CY 2023

¹⁰ *InfluenceMap*, "US Sustainable Aviation Fuel (SAF) Policies and Corporate Engagement," July 2023

¹¹ *International Council on Clean Transportation*, "How the long shadow of model inputs could dilute the ambition of the Biden Administration's SAF Grand Challenge," 11/6/2023