



Airlines for America*

We Connect the World

March 13, 2017

Submitted via email to brett.rude@ecy.wa.gov

Brett Rude
Washington Department of Ecology
300 Desmond Drive SE
Lacey, WA 98503

Re: Volkswagen Consent Decree Environmental Mitigation Trust Beneficiary Mitigation Plan

Dear Mr. Rude:

Airlines for America® (“A4A”) would like to thank the Department of Ecology 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 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 At the same time, our industry drives the national and state economies. The Washington State Department of Transportation Aviation Division reports that aviation contributes 248,500 jobs, \$15.3 billion in wages and \$50.9 billion in total economic activity to the State.³ Additionally, the Federal Aviation Administration estimated that in 2012, aviation-related manufacturing accounted for an additional \$25.4 billion of economic activity.⁴

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 Washington State Department of Transportation. Aviation Economic Impact Study (March 2012), available at https://www.wsdot.wa.gov/NR/rdonlyres/9791D5EE-54E1-4AE7-A154-CC516AF29971/0/2012_0404_WA_AviationEconImpact_FINAL.pdf

⁴ 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.

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 and have named it as an "Eligible Mitigation Action" ("EMA") that qualifies for funding from the Environmental Mitigation Trust ("Trust") established under the Volkswagen Consent Decree.

In alignment with the spirit of 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 Washington. 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 peace of mind 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,⁵ and that experience readies them to propose equally cost-effective projects to make real differences in the local air quality surrounding airports in Washington.

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, California's Carl Moyer Program, and other state and local programs, and have implemented their qualifying projects effectively and efficiently. VALE and other state and local funding has allowed our airlines to convert equipment at airports in several states including in Washington. Securing funding from the Trust for GSE electrification is necessary for the airlines to build on this success and realize further air quality benefits for the State.

Given this close alignment between the benefits projects to electrify GSE bring and the priorities suggested by the Consent Decree, A4A strongly encourages Ecology 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 Washington 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 nonetheless effectively reduce emissions. Moreover, there is uncertainty over the future availability of DERA funds, which could limit the air quality benefits that DERA projects would otherwise provide. Washington should not limit the 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 re-engine 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

⁵ See e.g., Carl Moyer Program Guidelines (2011), Appendix G, available at <https://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>.

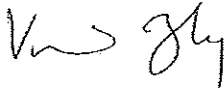
envisioned by the United States and the approving court under the Consent Decree and that the State will identify GSE projects in its Beneficiary Mitigation Plan as a category of EMAs it plans to fund through the Trust.

Notably, Washington should ensure the process is efficient and transparent, taking into account confidential business information. A process that is as efficient as possible will ensure the Trust funds are distributed in a manner that allows eligible projects to be implemented quickly and to begin realizing the benefits of emissions reductions soon thereafter. Furthermore, transparency will provide the public with the necessary information and peace of mind that emissions reductions are being realized and effectively so.

Lastly, while A4A recognizes that the Consent Decree requires states to include the allocation of funds to each category of EMA,⁶ we note that the Decree also affords Beneficiaries great flexibility. We respectfully recommend that Washington adopt procedures that will allow it to take full advantage of this flexibility to allow full and fair consideration of GSE projects as envisioned by the United States and the approving court.

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

Sincerely,

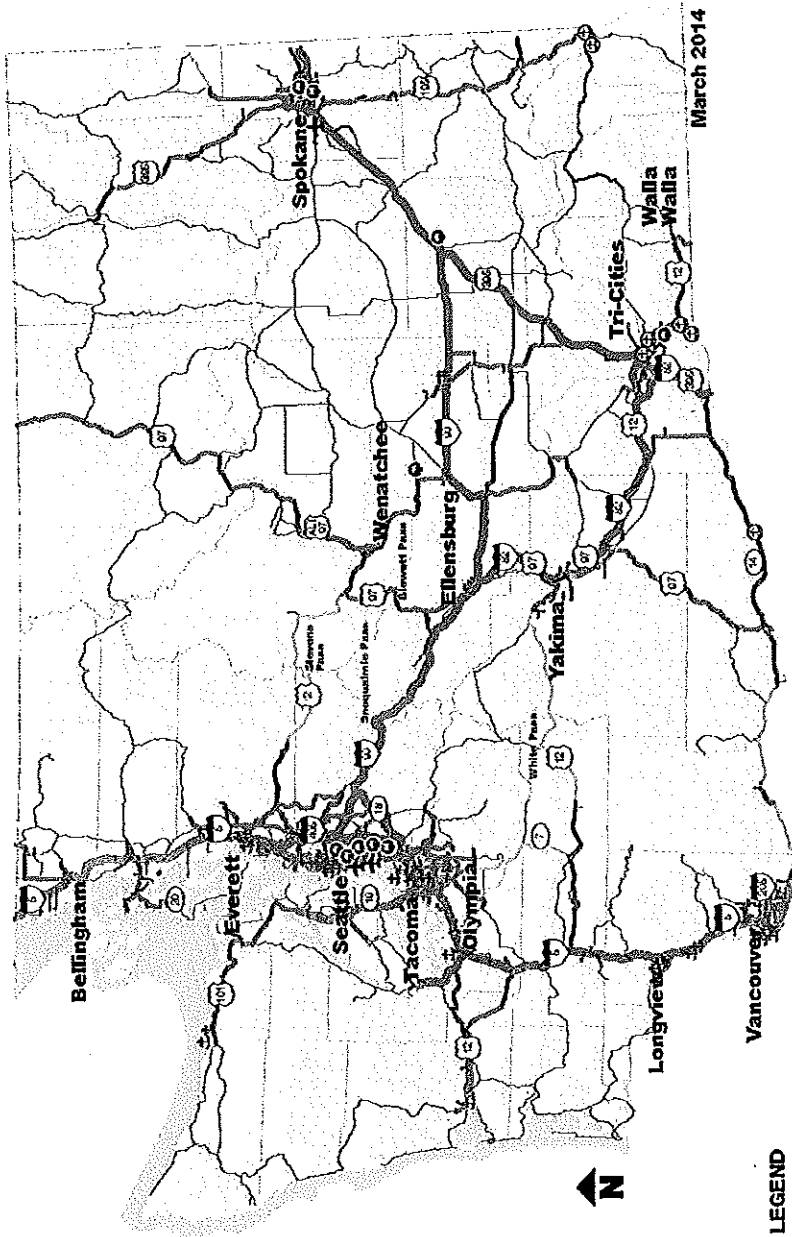


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⁶ Appendix D Form of Environmental Mitigation Trust Agreement, § 4.1 Beneficiary Mitigation Plan, 11.





LEGEND

- Major Cargo Airports
- Rail Intermodal Terminals
- Barge Loading Facilities
- Marine Port Terminals

Freight Economic Corridors

- T1 Truck Freight Economic Corridors: Freight corridors carrying more than 10 million tons per year
- T2 Truck Freight Economic Corridors: Freight corridors carrying 4 million to 10 million tons per year.
- Alternative Freight Economic Corridors: Corridors carrying 600,000 to 4 million tons per year and serve as alternatives to T1 freight routes
- Missing Links in T-1/T-2 network
- First/Last Mile Connector Routes to T1/T2 Corridors



