



MEMORANDUM

TO: Government Affairs Steering Group
Government Affairs Committee

FROM: ACI-NA Government Affairs

DATE: May 6, 2008

SUBJECT: House Aviation Subcommittee Hearing Aviation Emissions

GA MEMO: 2008-42

This afternoon, the House Transportation Subcommittee on Aviation held a hearing entitled “Aviation and the Environment: Emissions.” Mark Reis, Managing Director, Seattle-Tacoma International Airport, testified on behalf of ACI-NA.

Opening Statements:

Aviation Subcommittee Chairman Jerry Costello (D-IL) opened the hearing by stressing that airlines, airports, manufacturers and the Air Force are working to conserve fuel and reduce emissions. He stated that fuel costs are now the single largest cost for airlines, with every penny increase in the cost of jet fuel costing the industry \$195 million. Chairman Costello noted that “airports are facing significant challenges to increase capacity while also managing the environmental impacts on local communities”. He also stated that airports have invested in natural gas, solar, electric, biofuels and propane refueling stations that not only benefit their operations but also help commercial vans, courtesy shuttles and taxis. He concluded by discussing the environmental initiatives in H.R. 2881, as well as expressing concern about the proposed European Union “Emissions Trading Scheme”.

Ranking Member Tom Petri (R-WI) also mentioned the eleven programs in H.R. 2881 to reduce aviation’s impact on the environment and the importance of FAA environmental research. Stating that aviation emissions “have been and remain a controversial issue”, he emphasized that “the aviation industry has proven that lessening aviation’s impact on the environment can be achieved without strict government regulations” and “we must be sure not to hamper productive efforts that have proven effective at reducing emissions.”

Witnesses:

Panel I

- Dr. David Fahey, Research Physicist, NOAA
- Mr. Dan Elwell, Assistant Administrator, FAA
- Dr. Gerald Dillingham, Director, Physical Infrastructure Issues, GAO

Panel II

- Mr. Mark Reis, Managing Director, Seattle-Tacoma International Airport
- Mr. James May, President and CEO, ATA
- Mr. Douglas Lavin, Regional Vice President, IATA
- Mr. Richard Altman, Executive Director, Commercial Aviation Alternative Fuels
- Captain Mary Ann Schaffer, ALPA
- Mr. James Coyne, President, NATA
- Mr. Bill Glover, Environmental Managing Director, Boeing Company

Between the two panels, the hearing officially recessed for a briefing by Ambassador John Bruton, Head of the Delegation of the European Commission to the United States. Ambassador Bruton provided information on the European Union “Emissions Trading Scheme”.

Testimony:

Dr. David Fahey testified that aviation emits gases and particles, including carbon dioxide, into the atmosphere and thus is affecting the Earth’s climate. Fahey noted aircraft emission occur primarily at cruise altitude, which increases the potential to cause climate effects. In addition, Fahey noted that the net results of aviation emissions and condensation trails created from engine exhaust plume is a positive radiative which is creating global warming. Fahey also stated that global atmospheric models are required to evaluate and quantify the separate effects of aviation on climate.

Dan Elwell, Assistant Administrator for Aviation Policy, Planning and Environment for FAA, outlined FAA programmatic efforts to combat greenhouse gas emissions (GHG), including: improving scientific understanding of the impacts of aviation emissions; accelerating air traffic management improvements and efficiencies to reduce fuel burn; hastening the development of promising environmental improvements in aircraft technology; as well as exploring the potential of alternative fuels for aviation. Elwell also noted that success in reducing GHG emissions will require partnership and shared responsibilities among many stakeholders. Additionally, Elwell reiterated FAA’s “commitment to provide a systematic, well-informed and performance-based approach to tackling aviation emissions” through NextGen.

Dr. Gerald Dillingham, Director of Physical Infrastructure Issues for GAO, said that aviation contributes a modest but growing proportion of total U.S. GHG emissions.

Dillingham noted that NextGen technologies and procedures should allow for more direct routing which could improve fuel efficiency and reduce carbon dioxide emissions. Dillingham also said that research and development efforts have achieved significant reductions in aircraft emissions through improved aircraft and engine technologies, and reiterated that federal officials and aviation industry experts agree that such efforts are the most effective means of achieving future reductions. Dillingham also testified that challenges remain, including: designing aircraft that can simultaneously reduce noise and GHG; encouraging financially stressed airlines to purchase more fuel efficient aircraft; addressing the impact of airport expansion of more stringent EPA air quality standards; and responding to proposed international emission measures that could affect the financial solvency and competitiveness of the U.S. airline industry.

On behalf of ACI-NA, Mark Reis, Managing Director of Seattle-Tacoma International Airport, reiterated that airports are continuing to play a leadership role in demonstrating environmental stewardship and continue to implement proactive measures to reduce GHG emissions. Although airports' contribution to aviation GHG emissions is small, Reis reiterated that airports recognize that everyone has a responsibility to reduce their contributions to climate change

Reis noted Sea-Tac's recent GHG emissions inventory study, which is helping to identify opportunities to reduce GHG emissions and measure progress. Additionally, Reis discussed Sea-Tac's current initiatives to reduce the airport's carbon footprint, including: green energy power purchases; incentives to reduce power usage; waste hauling and recycling practices; greening operational and customer service programs, including the creation of an underground fuel hydrant system; centralized PC air system, and electrical ground support equipment; as well as "pay on foot" and "space count" systems and hotel van consolidation.

Jim May, President and CEO, ATA, noted that the airline industry represents 2 percent of all GHG emission and reiterated that today's aircraft are quieter, cleaner and use less fuel. May then said that aircraft fuel efficiency has improved by 110 percent since 1978. He also reiterated that ATA carriers have made a commitment to improve fuel efficiency by an additional 30 percent by 2025. Additionally, May said Congress must help modernize the aging air traffic control system, reinvigorate environmental research and development programs and enhance further development of alternative jet fuels. While May focused primarily on airline-driven initiatives, he added that the commercial aviation industry can achieve an additional 15% in fuel efficiency if NextGen is approved by Congress. May also urged Congress to calibrate the costs of pending climate change legislation, including the Lieberman-Warner Climate Security Act, to ensure it does not undermine the industry's ability to invest in new technologies.

Douglas Lavin, Regional Vice President, IATA, said IATA is aggressively addressing the growth of aviation emissions. By 2020, IATA members are committed to improving fuel efficiency by an additional 25% by reducing older aircraft and introducing new technologies. Strategy for achieving carbon neutrality and, ultimately, zero carbon dioxide emissions is based on four pillars: new airframe and engine technologies; better

and more efficient air traffic infrastructure around the world; improve airline operations to fly smarter and greener, and identify and seek economic measures to cover any gap between the growth in aviation and the corresponding growth in emissions. Lavin reiterated that IATA must have the support of Congress, as well as governments around the globe, if we hope to make future commercial aviation even greener.

Richard Altman, Executive Director, Commercial Aviation Alternative Fuels Initiative (CAAFI), gave a progress report on each of CAAFI's four functional areas, including certification, research and development, environmental and business/economics. Additionally, Altman noted that we must better define the benefits and costs of alternative fuels, as well facilitate dialogue between new alternative fuel suppliers and buyers.

Captain Mary Ann Schaffer, ALPA, emphasized many points made by ATA and the financial inability of airlines to absorb additional regulatory burdens. Schaffer also reiterated that pilots are participating in efforts to increase fuel efficiency of airline operations. Similar to ATA, Schaffer stated that the commercial aviation industry can achieve additional fuel efficiency savings if NextGen is approved by Congress.

James Coyne, President, NATA, stated that in late 2007 the association formed an Environmental Committee, which is developing a program where members can purchase carbon offsets. Additionally, NATA has developed best management practices in the following areas: spill prevention control and countermeasures (SPCC); hazardous waste; storm water; used batteries; used oil and used fluorescent lamps. He specifically cited programs underway at NetJets and DayJet Corporation. NATA is also developing a public relations campaign to provide better information about what companies that own, operate and service aircraft are doing to mitigate their environmental impact.

Bill Glover, Environmental Manager, Boeing Company, emphasized Boeing's work in increasing fuel efficiency in next generation aircraft. Additionally, Glover noted NextGen air traffic management technologies and procedures will improve fuel efficiency and reduce emissions.

Questions:

Chairman Costello focused his questions on scientific advances in reducing aviation emissions. He asked both Dr. Fahey and Dr. Dillingham about improvements that were needed in scientific knowledge and discoveries about reducing aviation emissions. Dr. Fahey stressed the need for the scientific community to come together with the aviation community to evaluate and assess the future needs of the industry. Only then, according to Dr. Fahey, can scientists adequately help policymakers determine how best to reduce aviation emissions. Dr. Dillingham stressed the importance of funding for NASA aeronautical research, which he believes is instrumental to moving NextGen and environmental technologies forward.

The European Union's proposal for an emissions trading system, which includes charging U.S. air carriers fees for the total amount of fuel used once they leave the United States and arrive at a destination in the E.U, dominated the remainder of the questioning. Chairman Costello asked FAA Assistant Administrator Daniel Elwell about the FAA's and U.S. Government's views towards the proposal. Elwell responded, "The unilateral nature of it is unacceptable to the United States."

Ranking Member Petri followed up by asking Elwell about the international nature of the problem and if there was some way that the U.S. could use this proposal to prompt a positive discussion internationally. Elwell stated that "aviation emissions are a unique problem because they are emitted internationally. Is there some way to get passed this, I think absolutely." Elwell further explained that the U.S. strongly supports allowing individual countries to use a "suite of measures" to reach set emission-reduction goals.

Due to the long duration of the hearing, all remaining questions were submitted for the record.

Please contact ACI-NA's Scott Weaver (sweaver@aci-na.org) or Paul Eubanks (peubanks@aci-na.org) should you have any additional questions or concerns.