Airlines for America®

We Connect the World

March 20, 2024

Testimony on HR 161/HCR 181

URGING THE DEPARTMENT OF HEALTH, DEPARTMENT OF TRANSPORTATION, AND DEPARTMENT OF LAND AND NATURAL RESOURCES TO TAKE ACTION TO REDUCE THE CARBON EMISSIONS ARISING FROM AIRPLANE TRANSPORTATION TO AND FROM THE STATE.

COMMITTEE ON TRANSPORTATION
Rep. Chris Todd, Chair
Rep. Darius K. Kila, Vice Chair

Conference Room 312
State Capitol
415 South Beretania Street

Dear Chair Todd, Vice Chair Kila and Members of the Committee:

Thank you for the opportunity to provide comments on HR 161/HCR 181. Airlines for America® (A4A) is the principal trade and service organization of the U.S. airline industry[1]. A4A and its members have a strong climate change record and are committed to working across the aviation industry and with government leaders in a positive partnership to achieve net-zero carbon emissions by 2050, which parallels the Biden administration's goal to achieve net-zero greenhouse gas emissions in the aviation sector by 2050.

As the record of the A4A carriers demonstrates, we take our role in GHG emissions very seriously. U.S. airlines have improved their fuel efficiency over 135 percent between 1978 and 2019, saving over 5 billion metric tons of carbon dioxide (CO_2) – equivalent to taking more than 27 million cars off the road on average in *each* of those years. Taking a more recent pre-pandemic snapshot, data from the Bureau of Transportation Statistics confirm that the U.S. airlines improved their fuel- and CO_2-emissions efficiency by 40 percent between 2000 and 2019.

These numbers are not happenstance. As an industry, we have achieved this strong environmental record by driving and deploying technology, operations, infrastructure and sustainable aviation fuel (SAF) advances to provide safe and vital air transport as efficiently as possible within the constraints of the air traffic management system. For the past several decades, airlines have dramatically improved their fuel efficiency and reduced their CO_2 emissions by investing billions in fuel-saving aircraft and engines, innovative technologies like

[1] A4A's members are: Alaska Airlines, Inc.; American Airlines Group Inc.; Atlas Air, Inc.; Delta Air Lines, Inc.; Federal Express Corporation; Hawaiian Airlines, Inc.; JetBlue Airways Corp.; Southwest Airlines Co.; United Airlines Holdings, Inc.; and United Parcel Service Co. Air Canada, Inc. is an associate member.

winglets (which improve aerodynamics) and cutting-edge route-optimization software. But, despite our strong record, A4A and our member airlines are not stopping there.

Since 2009, A4A and our members have been active participants in a global aviation coalition that committed to 1.5 percent annual average fuel efficiency improvements through 2020, with goals to achieve carbon-neutral growth beginning in 2020 and a 50 percent net reduction in CO_2 emissions in 2050, relative to 2005 levels.[2] On March 30, 2021, A4A announced a significant strengthening of these climate commitments.[3] Together with our member carriers, we pledged to work across the aviation industry and with government leaders in a positive partnership to achieve net-zero carbon emissions by 2050.[4] With consistent analyses showing that tremendous quantities of SAF must be deployed for the industry to meet its climate goals, A4A carriers also pledged to work with the government and other stakeholders toward a rapid expansion of the production and deployment of commercially viable SAF to make 2 billion gallons available to U.S. aircraft operators in 2030. On September 9, 2021, as a complement to the federal government's announcement of a SAF "Grand Challenge," A4A and its members increased the A4A SAF "challenge goal" by an additional 50 percent, calling for 3 billion gallons of cost-competitive SAF to be available to U.S. aircraft operators in 2030.[5]

The efforts our airlines are undertaking to further reduce GHG emissions are designed to limit their fuel consumption, GHG contribution and potential climate change impacts responsibly and effectively, while allowing commercial aviation to continue serving as a key contributor to the U.S., global, state, and local economies as our nation and the world continue to recover from the devastating COVID-19 crisis.

A4A members are keenly focused on technology, operations, infrastructure and SAF advances to achieve additional emissions reductions. For example, the U.S. airlines are partnering to modernize the air traffic management system and reinvigorate research and development in aviation environmental technology. In addition, we are dedicated to deploying commercially viable SAF, which could further reduce aviation's GHG emissions while enhancing U.S. energy independence and security. In fact, A4A is a founding member of the Commercial Aviation Alternative Fuels Initiative® (CAAFI), a public-private partnership with the Federal Aviation Administration (FAA) and other stakeholders that is working to ensure the development and deployment of SAF.[6] Having helped lay the necessary technical groundwork, A4A members have been using SAF regularly on commercial flights since 2016.

Further, our global aviation coalition supported an agreement reached in 2016 at the International Civil Aviation Organization (ICAO), the standard-setting body for international aviation, for the development of an international carbon offsetting system (known as the Carbon Offsetting and Reduction Scheme for International Aviation or "CORSIA") to "fill the gap" should concerted industry and government investments in technology, operations and infrastructure measures otherwise not allow us to achieve our goal of carbon-neutral growth starting in 2020.

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[2] *See* A4A, "A4A's Climate Change Commitment," available at https://www.airlines.org/a4as-climate-change-commitment/; *see also* Air Transport Action Group, "Climate Change," available at https://www.atag.org/our-activities/climate-change.html.

[3] *See* https://www.airlines.org/news/major-u-s-airlines-commit-to-net-zero-carbon-emissions-by-2050/.

[4] On October 4, 2021, the International Air Transport Association and its member airlines followed suit by also committing to achieve net-zero carbon emissions by 2050. *See* https://www.iata.org/en/pressroom/2021-releases/2021-10-04-03/.

[5] *See* https://www.airlines.org/news/u-s-airlines-announce-3-billion-gallon-sustainable-aviation-fuel-production-goal/. On the federal government's SAF Grand Challenge, see https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/09/fact-sheet-biden-administration-advances-the-future-of-sustainable-fuels-in-american-aviation/ and https://www.energy.gov/eere/bioenergy/sustainable-aviation-fuel-grand-challenge.

[6] For more on CAAFI, see http://caafi.org/.

We encourage the legislature and other interested parties to work together with the airline industry on measures to increase in-state production and deployment of SAF in the coming years.

Sincerely,

Sean Williams
Vice President, State and Local Government Affairs
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March 21, 2024

TESTIMONY ON HCR 181 / HR 161
URGING THE DEPARTMENT OF HEALTH, DEPARTMENT OF TRANSPORTATION, AND DEPARTMENT OF LAND AND NATURAL RESOURCES TO TAKE ACTION TO REDUCE THE CARBON EMISSIONS ARISING FROM AIRPLANE TRANSPORTATION TO AND FROM THE STATE.

House Committee on Transportation
The Honorable Chris Todd, Chair
The Honorable Darius K. Kila, Vice Chair

March 21, 2024, 10:30am
Conference Room 312
State Capitol 415 South Beretania Street

Chair Todd, Vice Chair Kila, and members of the Committee,

Thank you for the opportunity to provide comments on HCR 181 / HR 161, which urges the Department of Health, Department of Transportation and Department of Land and Natural Resources to take action to reduce the carbon emissions arising from airplane transportation to and from the state.

Aviation emissions represent a very small part of overall global carbon emissions. Nonetheless, aviation represents a higher proportion of Hawaii's fossil fuel usage, given our unique dependence on air transportation and relatively limited utilization of road fuel. Within Hawaii, it is worth noting that aviation fuel usage is driven predominantly (estimated about 90%) by long-haul travel; with its short flight distances, the intrastate flying on which our community depends drives relatively little fuel consumption. In order to address the existential threat of human-caused climate change, airlines in the U.S. have all committed to reach net-zero in the decades to come.

In line with the broader aviation industry, we view sustainable aviation fuel (SAF) as the most promising technology to advance aviation decarbonization. The U.S. airline industry has pledged to work with government leaders and other stakeholders to make 3 billion gallons of cost-competitive SAF available to U.S. aircraft operators in 2030. SAF is a proven, drop-in fuel, meaning that it is certified for use in existing aircraft engines, pipelines, and storage infrastructure, as long as it is blended up to 50% with conventional jet fuel. SAF can bring meaningful reductions in aviation carbon emissions, with lifecycle emissions intensity up to 50 to 80% lower than conventional jet fuel.

The reality is that while promising alternatives to jet engines lie beyond the horizon, the commercial aviation industry's excellent safety record relies on incremental adoption of new technology. The advantage of SAF is that it is already being used in today's aircraft and engines, which makes it one of the only credible means of reaching decarbonization goals between now and 2050.

The challenge with SAF is that it is not yet commercially viable, and it is not available at scale, and therefore incentives are needed to drive adoption in the near term. Objective economic analyses

have demonstrated that the higher cost of SAF vs. jet fuel today is driven by two factors: (1) the maturity of manufacturing technologies, and (2) the lack of scale in production. Incentives and credits, therefore, are not a perpetual need but a bridge to get biofuel production to maturity and scale, when it can compete successfully against traditional petroleum-based fuels.

Other U.S. states, such as California, Oregon, Washington, Illinois and Minnesota, provide state-level incentives to advance SAF in their states. The State of Hawaii has established an ambitious target to achieve economy-wide net-zero emissions by 2045, and aviation emissions comprise about 50 percent of Hawaii's transportation emissions. If Hawaii wants to attract supply of SAF to address its aviation emissions, it will need incentives that are competitive with other U.S. states. As long as there is scarcity of supply, volume will go to the markets which provide the most value.

At Hawaiian Airlines, we are actively sourcing SAF in those U.S. West Coast markets that provide incentives, investing in technologies to scale SAF, and working to advance SAF here in Hawaii. In 2023, we entered into a long-term offtake agreement with biofuel company Gevo for 50 million gallons of SAF delivered over five years in California, starting in 2029. We also made a strategic investment in United Airlines Ventures Sustainable Flight Fund, an investment fund focused on investing in technologies to scale SAF. And here in Hawaii, back in 2022, we established a partnership with Par Hawaii to explore the viability of locally produced SAF. As part of our partnership with Par Hawaii, we engaged outside consultants to evaluate the different policy options to support SAF in Hawaii. Together with our partners, we introduced a bill in the 2024 legislative session aimed at advancing renewable fuels, including SAF, here in our home state. We are also one of the founding members of a broad coalition of organizations from diverse sectors who believe that it is important to advance the dialogue around renewable fuels in Hawaii.

Scaling supply of cost-competitive SAF will be critical to reducing emissions in the aviation sector, which is an essential part of thriving economy here in Hawaii. It will require cross-sector collaboration among airlines, fuel producers, feedstock producers, states and the federal government to decarbonize aviation. We look forward to continuing to work collaboratively with the State of Hawaii and other stakeholders to advance the supply of cost-competitive SAF in Hawaii.

Thank you for the opportunity to provide comments on this resolution.

Mahalo,

Alanna James
Managing Director, Sustainability Initiatives
Hawaiian Airlines