



Airlines for America®

We Connect the World

October 5, 2018

Submitted via email to vwsettle@tceq.texas.gov

David Brymer, Director—Air Quality Division
Texas Commission on Environmental Quality
Implementation Grants Section, MC-204
P.O. Box 13087
Austin, TX 78711-3087

Re: Draft Beneficiary Mitigation Plan for Texas

Dear Mr. Brymer:

Airlines for America® (“A4A”)¹ would like to thank the Texas Commission on Environmental Quality (“TCEQ”) for the opportunity to comment on the Volkswagen Environmental Mitigation Trust Draft Beneficiary Mitigation Plan (“Draft Plan”) for Texas. A4A and its members are committed to environmental progress and view the Volkswagen Environmental Mitigation Trust (“Trust”) as a unique opportunity to accelerate those efforts, particularly in communities disproportionately burdened by air pollution. This is why we would like to commend the State for including projects that replace or repower airport ground support equipment with all-electric forms (“GSE projects”) as an eligible mitigation action in its Draft Plan. We also have some suggestions to further improve the Draft Plan, which we raise below for your consideration.

As noted in the Plan, GSE projects align well with several of Texas’ goals for the Trust funds. GSE projects our members are interested in will reduce nitrogen oxide (“NOx”) emissions in areas most impacted by NOx and areas of the state designated nonattainment for the 2015 National Ambient Air Quality Standard for ground level ozone. This is because these TCEQ-designated Priority Areas are home to some of the largest airports in the State where current, diesel GSE fleets are prime for conversion to all-electric equivalents. In particular, and as noted in our January 11, 2017 letter, our member airlines are interested in converting at least 350 pieces of GSE to all-electric alternatives at Austin-Bergstrom International, Dallas-Fort Worth International, George Bush Intercontinental, William P. Hobby, and San Antonio International airports. All of these airports except Austin-Bergstrom are located in a Priority Area, so investing in GSE projects will support Texas’ goal to reduce harmful emissions in these communities.

GSE projects also help reduce potential exposure of the public to pollutants often emitted along with NOx from older equipment at facilities where emission sources may be concentrated. GSE at airports is often

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.

older, and by virtue of operating on airport grounds 24/7, all-electric GSE help mitigate emissions in these areas that have a high concentration of diesel emission sources. Moreover, GSE projects do not only reduce these harmful emissions but by the terms of the Consent Decree completely eliminate all associated emissions by converting diesel equipment to all-electric equivalents. This is a great benefit not only to the communities surrounding airports in the State but to workers on airport grounds.

We would also like to highlight our support for TCEQ's proposal to provide grant funding on a first-come, first-served basis. As noted in our January 11, 2017 letter, GSE projects are a cost-effective, long-term solution to mitigate NOx emissions, but competitive grant processes are often prohibitively risky for GSE projects. Airline budgetary plans require higher levels of certainty throughout the planning process than competitive grants can guarantee. Reducing risk and streamlining the disbursement of Trust funds are especially important for our members who are eager to assist the State in reducing diesel emissions in Priority Areas. This is why we would also encourage TCEQ to specifically allocate funding for the different categories of eligible projects. Dedicating funding to GSE projects specifically will further improve certainty for our member airlines and the airports with whom they will partner on these projects.

In addition, TCEQ should not group GSE with other non-road projects like port cargo handling equipment when determining funding allocations. Extreme differences in project cost among non-road equipment may prevent effective emissions reductions. For example, one port project could easily deplete the funding allocation to all forklift, port cargo handling equipment, and airport GSE projects under the example allocation scheme in Table 2 of the Draft Plan, yet GSE projects are much more cost effective than port projects.² GSE projects' alignment with TCEQ's goals for the Trust funds as well as their cost effectiveness prove that they merit dedicated funding.

A4A also supports the State's decision to require equipment to be operating in an area a majority of their annual mileage or operating hours to qualify as equipment in TCEQ's Priority Areas. The transience of many on-road vehicles prevents their conversion to lower-emitting equivalents from making lasting impacts in areas with higher concentrations of air pollutants; however, as noted, GSE operate exclusively on airport grounds bringing a higher return on investment to improve air quality at and near airports.

Lastly, the Consent Decree focuses on public participation in the process of distributing Trust funds. A4A fully supports this concept and respectfully requests that TCEQ provide the opportunity for relevant stakeholders to comment on the criteria and requirements it develops for project applications. Bolstering transparency gives the public peace of mind that the Trust funds are distributed fairly to ensure cost-effective, sustainable emissions reductions. In the meantime, A4A would like to suggest that TCEQ provide greater guidance regarding project applications. More specifically, TCEQ has noted that charging infrastructure will be considered a separate activity under a project application.³ As we noted in our January 11, 2017 letter, airports usually own the charging infrastructure while airlines own the electric GSE which use that infrastructure. When applying for funding under the Trust, airlines and airports will necessarily need to partner to properly implement GSE projects. A4A therefore respectfully requests that TCEQ provide guidance on how public and private entities like airports and airlines should submit joint or parallel applications for Trust funds.

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² See Draft Plan, "Table 2. Example Funding Allocation and NOx Emissions Reductions (based on a 5-year activity life)," at 16.

³ Draft Plan, Appendix C at 37.

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Thank you for your consideration. We look forward to working with TCEQ and the State moving forward, and welcome any questions regarding our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Veronica Bradley". The signature is fluid and cursive, with the first name "Veronica" written in a larger, more prominent script than the last name "Bradley".

Veronica Bradley
Director
Environmental Affairs
Airlines for America

CC: David S. Fulton, Director—Division of Aviation, Texas Department of Transportation,