



July 6, 2016

RE: California Airports Council Comments on the Draft Sustainable Freight Action Plan

On behalf of the California Airports Council (CAC), an association of the 33 commercial service airports in the state, thank you for providing an opportunity to comment on the Draft Sustainable Freight Action Plan. California's airports remain committed environmental stewards, investing millions of dollars in both infrastructure and equipment to support a cleaner future for the industry. We appreciate the dedication of the State Action Plan Partners to implement the plan in response to the Governor's Executive Order (B-32-15) and offer the following considerations as you move forward.

First and foremost, our association is fully supportive of the removal of all references to the facilities cap for freight hubs. Placing a cap on operations at airports would be detrimental to the network as it would be a violation of federal policy and anti-competitive. Per the Clean Air Act, 42 U.S.C. § 7401 et seq., the Federal Aviation Act, 49 U.S.C. § 40101 et seq., and the Airport Noise and Capacity Act, 49 U.S.C. § 47521 et seq., state regulation of aircraft and aircraft engines and of airport emissions that impinges upon aircraft operations is federally preempted. It is imperative that strategies for sustainable freight must not be in conflict with directives of the Federal Aviation Administration. In addition, policymakers must exercise caution when formulating plans that impact airport and airline operations as the industry continues to adjust to the byproduct of a nationwide recession, pilot shortage and airline consolidation over the past decade. Any regulation that further removes competition, whether by facilities cap or performance target, should be avoided at all costs for the sake of local economies and communities, as well as, most importantly, to remain compliant with federal regulations. The most effective option for a federally regulated industry such as aviation would be the development of incentive programs for transition to cleaner technologies rather than creation of state policies likely in conflict with federal rules.

If State Action Plan Partners intend to enforce new policies on airports, in compliance with federal limitations, it is critical that an appropriate baseline is determined for airports that will be subject to future regulations. Airports move significantly less cargo as compared to other industries. For example, commercial seaports in California can expect to move over 300 million tons of cargo annually whereas airports move around 4

million tons, and the top four California airports typically account for 85 percent of those 4 million tons. Placing strict regulations on airports with minimal cargo movement would again be viewed as anti-competitive as it will drive airlines away from smaller communities due to higher operational costs.

Specifically within the aviation industry, an area sought as potential for transition to zero or near-zero emission technologies is ground support equipment (GSE). This equipment, typically owned by airline tenants or contracted by airlines to outside organizations, is beyond the control of airports. The CAC appreciates that the responsibility of management and enforcement of any regulations relating to GSE, or penalties for non-compliance, have not been placed on the shoulders of airport operators since the equipment is not purchased, owned, or maintained by airports. We strongly encourage that as the plan is amended and regulations are further developed, that airports remain clear of these responsibilities as they can only encourage the use of zero and near-zero emission equipment, but they cannot require the technology.

Although not referenced in detail within the Draft Sustainable Freight Action Plan, our association understands there is intent to transition airport shuttle buses to electric technologies. Clarification is again sought to understand what is defined as an airport shuttle. Along with airport-owned shuttles, multiple operators have fleets moving to and from the airport for operations such as passenger transport to hotels, rental car facilities, and transit stations. Airports would like to understand if it is the intention of the state to extend shuttle regulations beyond airport-owned equipment, and again, the mechanisms of enforcement.

In addition to clarification of enforcement responsibilities, it would be beneficial to include a credit system for facilities that have already invested in emission reduction technologies and infrastructure prior to the implementation of the Sustainable Freight Action Plan. The current draft does not provide any opportunity to acknowledge the past and existing efforts of the industry to reduce emissions. Implementing new and costly regulations without taking into account previous investments could place unwarranted burdens on airport operators. Airports have invested millions of dollars to support green operations on both airside and landside activities including development of solar farms, installation of pre-conditioned air at aircraft gates, and conversion of shuttle bus fleets to alternative fuels such as compressed natural gas. The CAC has documented emission reduction practices from airports of all sizes in our *Model Environmental Practices Report for Public Use Airports* and our association encourages the State Action Plan Partners to review the examples listed within. Credits would assist with creating a real-time depiction of how the industry has evolved with the implementation of green technologies and give a more realistic determination of how much further the industry can improve.

To support transition to cleaner technologies, the state must partner with the industry to provide funding, financing, or incentives for equipment and infrastructure purchases. This is especially significant for airports that have already made investments to cleaner technology and have yet to experience the full life-cycle of the equipment purchases.

The action plan has ambitious goals of transitioning to zero and near-zero technologies, that will require flexibility and funding beyond what many airports can provide in the timeframe allotted. It is critical that State Action Plan Partners identify sources of long-term, dedicated funding viable to airports as new policies are implemented.

Again, we thank you for the opportunity to provide comments on the Sustainable Freight Action Plan. We look forward to continued collaborative discussions between industry stakeholders and the State Action Plan Partners to produce a sustainable, efficient, and competitive solution for California's green initiatives.

Sincerely,

A handwritten signature in cursive script that reads "Dan Feger".

Dan Feger
California Airports Council
President