

Alternative Fuels & Chemicals Coalition

Advocating for Public Policies to Promote the Development & Production of Alternative Fuels & Chemicals, with a Focus on Sustainable Aviation Fuels

AFCC's 2021 Appropriations Requests KEY PROGRAMS SUMMARY:

TRANSPORTATION

AFCC's priorities - the programs whose authorizations or appropriations have expired or not been renewed,

or have been proposed for severe cuts or elimination in the President's Budget - are indicated in red text

Symbols after Amounts for House & Senate FY2021 Appropriations: \leftrightarrow same as prior years, \downarrow less than prior years, \uparrow more than prior years

Subcommittee: Transportation

Agency: U.S. Department of Transportation (DOT)

13 Programs – <u>10 Industry-Critical Priorities</u> (including FAA)

Account / Program:	FY 2018 Appropriation	FY 2019 Appropriation	FY 2020 Appropriation	President's FY 2021 Budget	AFCC's FY 2021 REQUEST	House Appropriation H.R. 7616	Senate Marker Bill
H.R. 1865 (P.L. 1	16-94)						
Title 1: Extension	n of Certain Expirir	ng Provisions; Subt	itle C: Incentives f	or Energy Product	ion, Efficiency, and	d Green Economy .	Jobs
AFCC Request:				See Notes below	Extend credits for incentives listed below through 2023	Not included	Not included
Notes:	Extended through i Sec. 121 Biodiesel a Extended through i Sec. 122 Second Ge Sec. 123 Nonbusine Sec. 124 Qualified F Sec. 125 Alternative Sec 126 2-Wheeled	2022: and Renewable Diese 2020: eneration Biofuel Pro ess Energy Property, Fuel Cell Motor Vehi e Fuel Refueling Prop Plug-In Vehicle Crea	el Tax Credit and Exc oducer Credit, cles, perty Credit, dit,	ise Tax Sec. 127 Resource Sec. 129 Sec. 130 Property Sec. 131 Sec. 133 Alternation	Credit for Electricity s, Energy Efficient Hom Special Allowance fo , Energy Efficient Com Extension and Clarifi ve Fuels	Produced from Certa nes Credit, r Second Generatior Imercial Buildings De cation of Excise Tax	ain Renewable Biofuel Plant eduction, and Credits Relating to

A Collaborative Government Affairs Effort

Organized by Kilpatrick Townsend & Stockton and American Diversified Energy Consulting Services

1200 G Street, NW, Suite 800, Washington, DC 20005 Telephone: +1 202-922-0144 Email: info@AltFuelChem.org Website: www. AltFuelChem.org



Agency: U.S. Department of Transportation (DOT)

13 Programs – <u>10 Industry-Critical Priorities</u> (including FAA)

Account / Program:	FY 2018 Appropriation	FY 2019 Appropriation	FY 2020 Appropriation	President's FY 2021 Budget	AFCC's FY 2021 REQUEST	House Appropriation H.R. 7616	Senate Marker Bill		
DOT: Title 23 United States Code, sections 133(b)(1) and 133(b)(4); H.R. To Provide Necessary Charging Infrastructure Along Alternative Fuel Corridors									
FY Appropriation	\$0	\$0	\$781,140,392	\$0	\$781,140,392	\$532,220,000↓			
DOT: Federal Highway Administration; Federal-Aid Highways;									
Fixing America's	Surface Transport	tation (FAST) Act (P.L. 114-94) ⁽¹⁾						
FY Appropriation	\$44,234,212,000	\$45,268,596,000	\$46,365,092,000 made available through 2023	\$810,000,000,000 over 10 years, \$81 billion/year	(1) \$81 billion – (out of \$810 billion over 10 years)	<pre>\$61,130,000,000↓ 1-year extension of FAST Act passed Sept. 22</pre>	1-year extension of FAST Act passed Sept. 22		
DOT: Office of th	e Secretary;								
National Infrastr	ucture Investment	s ⁽²⁾							
FY Appropriation	\$1,500,000,000	\$900,000,000	\$1,000,000,000	\$1,000,000,000	<mark>(2)</mark> \$1,000,000,000	\$3,000,000,000个			
DOT: Office of the Assistant Secretary for									
Research and Teo	chnology (OST-R) ⁽	3)							
FY Appropriation	\$23,465,109	\$8,471,000	\$21,000,000	\$11,000,000	(3) Restore to \$21,000,000	\$19,800,00↓			



Agency: U.S. Department of Transportation (DOT)

13 Programs – <u>10 Industry-Critical Priorities</u> (including FAA)

Account / Program:	FY 2018 Appropriation	FY 2019 Appropriation	FY 2020 Appropriation	President's FY 2021 Budget	AFCC's FY 2021 REQUEST	House Appropriation H.R. 7616	Senate Marker Bill	
DOT: Office of the Assistant Secretary; Office of Research, Development & Technology Transportation Planning, Research & Development ⁽³⁾								
FY Appropriation	\$14,000,000	\$7,879,000	\$10,879,000	\$9,400,000	(3) Restore to \$10,879,000	\$10,879,000 ↑		

Subcommittee: Transportation									
Agency: U.S. Department of Transportation (DOT) Federal Aviation Administration (FAA) 7 Programs – <u>6 Industry-Critical Priorities</u>									
Account / Program:FY 2018FY 2019FY 2020President's FY 2020AFCC's FY 2021HouseSenate MarkerProgram:AppropriationAppropriationAppropriationBudgetHouseSenate Marker									
DOT: Federal Aviation Administration; Research, Engineering and Development									
FY Appropriation	\$188,900,000	\$191,100,000	\$192,665,000	\$170,000,000	Restore to \$192,665,000	\$192,665,0 0 0个			
DOT: Federal Aviation Administration; Grants-in-Aid for Airports / Airport Improvement Program (AIP) ⁽⁴⁾									



Agency: U.S. Department of Transportation (DOT) Federal Aviation Administration (FAA)

7 Programs – <u>6 Industry-Critical Priorities</u>

Account / Program:	FY 2018 Appropriation	FY 2019 Appropriation	FY 2020 Appropriation	President's FY 2021 Budget	AFCC's FY 2021 REQUEST	House Appropriation H.R. 7616	Senate Marker Bill	
FY Appropriation	\$3,350,000,000(pg. 1583) as well as an additional \$1,000,000,000 (pg. 1585) to remain available through Sept. 30, 2020 for airport development discretionary grants	\$3,350,000,000(pg. 392) as well as an additional \$500,000,000 (pg. 393) to remain available through Sept. 30, 2021 for airport development discretionary grants	\$3,350,000,000 (pg. 409) as well as an additional \$400,000,000 (pg. 410) to remain available through Sept. 30, 2022 for airport development discretionary grants	\$3,350,000,000 but \$0 for additional airport development discretionary grants	\$3,350,000,000 (4) as well as an additional \$400,000,000 to remain available through Sept. 30, 2023 for airport development discretionary grants	\$3,350,000,000↔		
DOT: Federal Aviation Administration; Facilities and Equipment;								
Advanced Techno	ology Developmer	nt and Prototyping	(5)					
FY Appropriation	\$26,800,000*	\$33,000,000*	\$40,900,000*	\$26,600,000	(5) _{33,000,000}	See below		
Appropriation Note:	*Included under FY20218 appropriation of \$3,250,000,000 for Facilities and	*Included under FY20219 appropriation of \$3,000,000,000 for Facilities and	*Included under FY2020 appropriation of \$3,045,000,000 for Facilities and			Included under FY2021 appropriation of \$3,045,000,000↔ for Facilities and		
	Equipment	Equipment	Equipment			Equipment		



Agency: U.S. Department of Transportation (DOT) Federal Aviation Administration (FAA)

7 Programs – <u>6 Industry-Critical Priorities</u>

Account / Program:	FY 2018 Appropriation	FY 2019 Appropriation	FY 2020 Appropriation	President's FY 2021 Budget	AFCC's FY 2021 REQUEST	House Appropriation H.R. 7616	Senate Marker Bill		
DOT: Federal Aviation Administration; Research, Engineering and Development (RE&D); NextGen (Next Generation Air Transportation System)									
FY Appropriation	\$60,000,000	\$61,796,000	\$61,538,000	\$69,300,000	\$69,300,000	\$62,62,000↔			
DOT: NextGen; N FAA Centers of E	DOT: NextGen; Management Services; FAA Centers of Excellence ⁽⁶⁾								
Appropriation:	Included in NextGen appropriation above	Included in NextGen appropriation above	Included in NextGen appropriation above	Included in NextGen appropriation above		Included in NextGen appropriation above			
AFCC's Request					(6) prior year funding levels	Amount not delineated			
DOT: NextGen; Environmental Research: Aircraft Technologies, Fuels, and Metrics ⁽⁷⁾									
Appropriation:	Included in NextGen above	Included in NextGen above	Included in NextGen above	Included in NextGen above		Included in NextGen above			
FY DOT Funding Allocation	\$26,900,000	\$29,200,000	\$29,200,000	\$27,000,000	(7) Ensure that at least \$29,200,000 is allocated to this program	Amount not delineated			



Agency: U.S. Department of Transportation (DOT) Federal Aviation Administration (FAA)

7 Programs – <u>6 Industry-Critical Priorities</u>

Account / Program:	FY 2018 Appropriation	FY 2019 Appropriation	FY 2020 Appropriation	President's FY 2021 Budget	AFCC's FY 2021 REQUEST	House Appropriation H.R. 7616	Senate Marker Bill	
DOT: Federal Aviation Administration; Operations; Research, Engineering And Development (RE&D); NextGen; Alternative Fuels for General Aviation ⁽⁸⁾								
Appropriation:	Included in NextGen above	Included in NextGen above	Included in NextGen above	Included in NextGen above		Included in NextGen above		
FY DOT Funding Allocation	\$6,900,000	\$1,900,000	\$1,900,000	\$0	(8) Ensure that at least \$7 million is allocated to this program	Amount not delineated		

(1) AFCC APPLAUDS THE ADMINISTRATION'S REQUEST TO EXTEND THE FAST ACT FOR ANOTHER 10 YEARS WITH \$81 BILLION IN ANNUAL FUNDING. AFCC recommends that The Capital Investment Grants program, which goes toward funding major transit projects, be expanded commensurate with the increased annual funding levels being requested by the Administration, with the stipulation that the minimum amount of funding for this program shall be no less than 20% of the program's historic funding levels.

The research grants made under this program typically require matching funds. Thus, they allow DOT to leverage industry and academia investment in new technology. They also support the training of new experts in new technologies such as alternative fuels technology.

<u>AFCC also recommends</u> that the language extending the FAST Act stipulate that the DOT's **Research**, **Technology**, and **Education Program** and **Transportation Infrastructure Finance and Innovation Act (TIFIA)** program shall receive no less than \$300 million per year.



(2) <u>AFCC STRONGLY SUPPORTS</u> continued funding at the level proposed by the Administration for the National Infrastructure Investments / BUILD Transportation Discretionary Grant Program. The BUILD program allows DOT to make capital funding grants through discretionary grants to any public entity, including municipalities, counties, port authorities, tribal governments, metropolitan planning organization, or others to projects that have a significant local or regional impact and promise to achieve national transportation objectives.

AFCC RECOMMENDS <u>that legislative language be added</u> under NATIONAL INFRASTRUCTURE INVESTMENTS, pg. 401 of the FY2020 Consolidated Appropriation Act, <u>in the first "Provided Further,"</u> after the semicolon at the end of the parenthetic phrase ending "ports of energy)" and before "and", <u>add:</u> "investments in the necessary infrastructure for charging electric vehicles and for producing, transporting, dispensing, and using alternative fuels;"

(3) <u>AFCC STRONGLY SUPPORTS</u> CONTINUED AND INCREASED FUNDING FOR RESEARCH, ENGINEERING, AND DEVELOPMENT OF ALTERNATIVE AVIATION FUELS.

The Federal Aviation Administration (FAA) agency plays an import role in bringing alternative fuels from the lab to the airport. Activities include setting policy goals, ensuring that the fuels can be safely integrated with aviation equipment and infrastructure. In the past, FAA program funding included specific appropriations for these activities. In recent budgets, the emphasis has changed to place less emphasis on this economically critical area.

A significant portion of the FAA research and development budget is provided from the Airport and Airways Trust Fund, under 49 U.S.C, Subtitle VII, section 48102(a) which was recently reauthorized in 2018 (H.R. 302). The congressional bill included specific appropriation levels through 2020 (https://www.congress.gov/bill/115th-congress/house-bill/4/text). However, the enacted bill did not include those previsions which also specifically listed alternative aviation fuels as a topic for potential funding. The funding decisions and budgets for these programs are determined by an advisory board. In the place of the specific research suggestions, Sec. 742 of H.R. 302 calls for a Technology review by the Administrator of the Federal Aviation Administration, in coordination with the Administrator of the National Aeronautics and Space Administration, of current and planned research on the use of advanced aircraft technologies, innovative materials, alternative fuels, additive manufacturing, and novel aircraft designs, to increase aircraft fuel efficiency

(4) <u>AFCC RECOMMENDS that an additional amount of \$400,000,000 be appropriated</u> for Grantsin-Aid for Airports, consistent with the annual appropriations for FY2018-2020,

and that language be added to the FY2020 appropriating language stipulating:



"That of the amounts made available under this heading, the Secretary shall make grants to enable airports to make necessary infrastructure changes to facilitate the use of alternative aviation fuel."

(5) <u>AFCC RECOMMENDS</u> adding a stipulation to the FY2021 appropriations language for FACILITIES AND EQUIPMENT which states: "Provided further, That of the amounts made available under this heading, the Secretary shall give priority to installing and making the necessary infrastructure changes at airports to facilitate the use of alternative aviation fuels."

For example, in some cases the fuel will need to trucked into the airport rather than arriving from current pipeline networks. New pipelines may be required. The DOT infrastructure project will need to consider these changes. Now is the time for the planning and implementation of these changes as alternative fuels use becomes more common. Alternative aviation fuels are becoming the norm in many international markets and could be required for U.S. carriers serving these locations in the future. Currently these types of projects are not among those discussed in the agency's request.

(6) <u>AFCC STRONGLY SUPPORTS</u> continued funding for the Office of the Assistant Secretary, Development and Technology, FAA Centers of Excellence (COE) Program for alternative jet fuels and environment research since it is considered the largest DOT program attempting to develop new sustainable alternative fuels.

Centers of air transportation excellence established under section 44513 of Title 49 are funded by the Airport and Airway Trust under section 48102(a) of title 49. Since its inception, FAA made a major commitment to support multiyear and multimillion dollar research efforts, ensuring coordination and innovation across the university teams that make up the various COEs. This investment has resulted in significant advancements in aviation science, technologies, and technology transfer. There are currently six active established FAA COEs, each with specific research areas. The goal is for each center to become a national resource in a particular area of transportation. The COE program has included over 70 academic institutions and over 200 industry and government affiliates. Through their collaborative efforts, they have conducted research in areas critical to the FAA and the flying public.

⁽⁷⁾ <u>AFCC STRONGLY URGES CONTINUED FUNDING AT PRIOR YEAR APPROPRIATION LEVELS</u> for

the NextGen—Environmental Research—Aircraft Technologies, Fuels, and Metrics program of the Office of Environment and Energy. The stated goal of the Aircraft Technologies, Fuels, and Metrics program is to increase mobility by reducing environmental impacts of aviation in absolute terms, including those relating to community noise, air quality and global climate change. The program is focused on maturing aircraft innovative technologies that can reduce aircraft noise, emissions that degrade air quality, greenhouse gas emissions, and energy use, and advance alternative jet fuels.



The Office of Environment and Energy is a key component of the FAA's environment and energy strategy. It advances understanding of aviation noise and emissions at their source, how they propagate and are modified in the atmosphere, and their ultimate health and welfare impacts on the population – both near airports and much farther afield. This knowledge is then incorporated into an integrated aviation environmental tool suite that can be used to evaluate the full breadth of environmental mitigation solutions that are being developed. The aviation environmental tool suite is built upon a sound scientific understanding of aviation noise and emissions as well as their environmental, health, and welfare impacts. The Program is using these models and knowledge to inform decisionmaking on technology development, operational procedures, and policies relating to aviation's energy use and environmental impacts.

AFCC RECOMMENDS adding a stipulation to the FY2021 appropriations language for the NextGen program which states:

"Provided, That of the amount made available, the Secretary shall use not less than \$29,200,000 for Aircraft Technologies, Fuels, and Metrics and the Office of Environment and Energy, and not less than \$7,000,000 for Alternative Fuels for General Aviation;"

This appropriations language also applies to ⁽⁸⁾ below:

(8) <u>AFCC STRONGLY RECOMMENDS</u> increasing – and NOT eliminating – funding for the production of Alternative Fuels for General Aviation. Programs aimed at improving the sustainability and competitiveness of the U.S. transportation system in today's increasingly environmentally conscious world need to be protected as they compete with other priorities. AFCC and its member companies have a strong focus on alternative feedstocks and fuels for aviation, which are typically derived from biological and renewable resources, and are sustainably produced in the U.S.

Their adoption promotes the use of home grown agricultural crops, helping our farmers, advancing innovation, creating jobs, and in turn building the nations biobased economy. There is growing international demand for these biofuels and mandates in the EU and other areas of the world may require their use in overseas flights and in the U.S. military. Adoption of alternative fuels supports the USA's leadership in green technologies and AFCC strongly recommends funding research for a cleaner and healthier environment.