



U.S. Department
of Transportation
**Federal Aviation
Administration**

Memorandum

Subject: **ACTION**: Program Guidance Letter 04-07

Date: Sep 30, 2004

From: Manager, Airports Financial Assistance
Division, APP-500

Reply to
Attn. of:

To: PGL Distribution List

04-07 Voluntary Airport Low Emission Program – Jake Plante (202) 493-4875

The Vision 100—Century of Aviation Reauthorization Act, sections 151, 158, and 159 amends Title 49, United States Code (USC) section 47117(e)(1)(A) and adds sections 47139 and 47140 to Subchapter I of Chapter 471, respectively. These amendments establish a voluntary program to reduce airport ground emissions at commercial service airports located in nonattainment and maintenance areas designated by the U.S. Environmental Protection Agency (EPA).

The program, entitled the Voluntary Airport Low Emission (VALE) program, is intended to help sponsors meet their obligations under the Clean Air Act (CAA) in support of regional attainment of health-based National Ambient Air Quality Standards (NAAQS). The VALE program provides sponsors with financial and regulatory incentives to take early actions to reduce airport emissions using proven low emission technologies.

Eligible Types of Low Emission Projects: 1) facilities and infrastructure and 2) vehicles. Under section 159, 49 USC section 47102(3)(K) and 49 USC section 47102(3)(L), sponsors may conduct work necessary to construct or modify airport facilities to provide low-emission fuel systems, gate electrification, and other infrastructure projects that improve air quality. In addition, sponsors may undertake projects for the acquisition or conversion of airport-owned vehicles and ground support equipment (GSE) to low-emission technology. Eligible equipment is ground service or maintenance equipment that is located at the airport, is used to support aeronautical and related activities at the airport, and will remain in operation at the airport for its useful life (47140(f)).

Application Elements and Procedures (see Technical Report Chapter 2): Eligible VALE projects must result in the sponsor receiving appropriate airport emission reduction credits (AERCs). Under section 158, 47139(b), the FAA must receive an AERC assurance from the State in which the project is located, or from the EPA, prior to approving a grant for a VALE project. Section 47139(a) directs the

EPA Administrator, in consultation with the Secretary of Transportation, to issue AERC guidance. This EPA guidance, coordinated with DOT/FAA, is contained in the EPA report: "Guidance on Airport Reduction Credits for Early Measures through Voluntary Airport Low Emission Programs." (available at FAA website: http://www.faa.gov/airports_airtraffic/airports/environmental/vale) This AERC guidance is consistent with the CAA and provides an acceptable method by which the State air quality agency will grant AERCs to the sponsor in a timely manner. AERCs will be calculated and provided to airports on a consistent basis nationwide, are kept by the sponsor, and can only be used by the sponsor to meet their current or future CAA general conformity and new source review requirements.

Section 159(b)(2) directs DOT/FAA to issue guidance describing eligible low-emission modifications, improvements, and vehicle technology for the VALE program and stating how airport sponsors will demonstrate benefits. This guidance has been prepared in consultation with the EPA and the U.S. Department of Energy (DOE) and is entitled the "VALE Program Technical Report." The report is provided as an attachment to this document and is also available on the FAA website listed above.

According to section 47102, as amended by section 159 of the Vision 100, the VALE Program Technical Report defines "low-emission technology" as vehicles and equipment whose emission performance is the best achievable under emission standards established by the EPA and that relies exclusively on alternative fuels that are substantially non-petroleum based, as defined by the DOE, but not excluding hybrid systems. The selected VALE program low-emission standards, which balance EPA low-emission standards with commercial availability, establish the basis for eligible vehicle acquisitions and for project cost effectiveness. Cost calculations and grant funding for vehicles are limited to their incremental costs (i.e., the differential in price between a low-emission vehicle and the current market value for a new equivalent conventional-fueled vehicle).

Sponsors wishing to apply for VALE projects should forward their written grant proposals to the appropriate airports field office using standard review and evaluation procedures. Simultaneously, the sponsor should forward their proposal to the appropriate State air quality office and EPA Region for AERC review.

Airport Ground Support Equipment Emissions Retrofit Pilot Program

Section 159 of Vision 100 adds section 47140 to Subchapter I of chapter 471 to establish an Airport Ground Support Equipment (GSE) Emissions Retrofit Pilot Program. This pilot program, entitled the GSE Retrofit pilot program, will be managed separately from the main VALE program but includes many of the same procedures and requirements.

The GSE Retrofit pilot program allows up to 10 commercial service airports to receive grants of no more than \$500,000 each. Like the VALE program, eligible airports for the pilot program must be located in nonattainment or maintenance areas, receive the same State AERC assurances prior to funding, and assess project emission reductions and cost effectiveness similarly. Moreover, GSE Retrofit pilot projects must comply with the requirements and procedures established for the VALE program unless otherwise specified in this letter or Chapter 7 of the VALE Program Technical Report.

Eligible projects for the pilot program are retrofits of existing eligible airport GSE that burn conventional fuels (i.e., gasoline and diesel) to achieve lower emissions utilizing emission control technologies certified or verified by the EPA. Like VALE, these ground service and maintenance vehicles must be located at the airport, used to support aeronautical and related activities at the airport, and remain in operation at the airport for their useful life.

Consistent with section 47140(e), the FAA has prepared guidance for the GSE Retrofit pilot program and included it in the VALE Program Technical Report. Different areas of eligibility and assessment with the VALE program are identified.

Based on section 47140(c), the FAA will give priority consideration to project applications that achieve the greatest emission reductions per dollar of pilot project funds. The FAA may give priority to GSE owned by the airport and used for airport purposes.

Sponsors wishing to apply for the GSE Retrofit pilot projects should forward their written grant proposals to the appropriate airports field office and, at the same time, to the appropriate State air quality office and EPA Region for AERC review. Initial FAA review of applications will be made by the field office to assure completeness of the material submitted with the application. Proposals that represent a complete application will be forwarded to headquarters (APP-600) for technical and program review. Headquarters will evaluate and approve pilot project applications as received, pending an acceptable letter of AERC assurance from the State air quality agency.

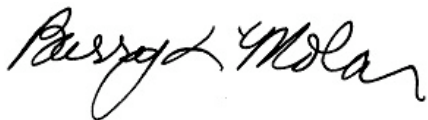
General Information

A list of commercial service airports that are eligible for the VALE program and the GSE Retrofit pilot program may be found at the FAA website listed above. Developed with assistance from the EPA, this list identifies the criteria pollutant(s) responsible for the nonattainment or maintenance status of the geographical area surrounding each eligible airport.

The VALE Program Technical Report includes further information on the procedures for sponsors to use in developing project proposals, applying to

States for AERCs, and calculating project emission reduction benefits. Proposal and calculation worksheets are provided to facilitate this process.

By law, the FAA must protect the investment made in vehicles and infrastructure equipment acquired or constructed through the VALE and GSE Retrofit pilot programs. To comply with this requirement, we will insert special conditions in the grant agreements, including the stipulation that the vehicles and equipment acquired under both programs will be operated and retained at the airport for their useful life. The special conditions are discussed in Chapter 3 and provided in Appendix C of the VALE Program Technical Report.

A handwritten signature in black ink, appearing to read "Barry L. Molar". The signature is fluid and cursive, with the first name "Barry" and last name "Molar" clearly distinguishable.

Barry L. Molar

Attachments