

REMARKS AT GREEN AIRPORT FLEETS WORKSHOP AND EXPO
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Next month will mark the 10th anniversary of SFO's pioneering Clean Vehicle Policy. So we're glad to be able to host today's event. This is the first green fleets workshop sponsored by multiple airports – five airports covering the Bay Area and Central Valley. For that, I want to salute our partners in the California Airports Clean Air Vehicle Working Group, including Los Angeles and San Diego Airports, and the tremendous coordination work of Calstart since our working group, talking monthly by phone, was formed 2 years ago.

Starting in the late 1990's, SFO was among the first airports to focus its clean vehicle efforts on tenant and permitted operator vehicles. And with good reason: private sector vehicles average 10 to 20 times the annual miles of Commission vehicles, and have the potential to generate at least 10 to 20 times the emissions. The handout "SFO's Clean Vehicle Policy, 10th Anniversary," describes all the green fuel and vehicle types and retrofit devices we've promoted, and I won't recap all of that here, but please refer to the handout, which is also posted in the "Green SFO" section of our website here:

<http://www.flysfo.com/web/page/download/about/news/pressres/fact-sheet/pdf/CleanVehiclePolicy.pdf>

Since our airport is among the most land-constrained in North America, we have also long had a mission to reduce the number of vehicles hogging scarce curb and roadway space. Our Airtrain system, launched in 2003, eliminated a fleet of dirty diesel rental car shuttle buses, replacing them with an elevated train system powered by clean hydro electricity.

A lesser known initiative promoted hotel shuttle consolidation. This was designed and accomplished entirely by the private sector after the Airport levied a triple fee on hotels failing to reduce their trips by one-third. The result was that most hotels contracted out shuttle service to third parties or lead hotels, which combined several hotels in a single trip. Together with the required use of CNG or equivalent-emission vehicles to qualify for the standard trip fee, emissions per hotel shuttle trip are down by over 80% since 2000, while hotels served are up by 40%. A similar initiative involving off-Airport parking operators fostered CNG vehicle adoption and fewer trips.

In a decade when U.S. air travel has been flat, the population of clean commercial ground vehicles at SFO has increased tenfold, from around 250 to over 2,200. We estimate those vehicles travel almost 100 million miles annually. Only about 300 of the 2,200 vehicles are in the Airport Commission's own fleet. So how did that transformation come about, without significant net cost to operators or SFO?

We've learned that a successful program depends on close coordination with vehicle operators, manufacturers, dealers, grant agencies and facilitators, and resource nonprofits like Calstart and U.S. Energy Department-sponsored Clean Cities Coalitions. We've always been conscious of the costs our unsubsidized operators bear every day during difficult economic times, and so have focused our attention on alternative fuels costing less than gasoline or diesel, and on grants and tax credits that help reduce the cost of alternative fuel vehicles to a figure close to that of conventional fuel vehicles. Most of our grant funds have gone toward the added cost of CNG or electric vehicles, and have come from the Bay Area Air Quality Management District's Transportation Fund for Clean Air, derived from vehicle license fees, with other grant funding from the Federal Aviation Administration, U.S. Environmental Protection Agency, California Air Resources Board, San Mateo City/County Association of Governments, and San Francisco County Transportation Authority. Many thanks to all the grant agencies mentioned, whose total support has amounted to about \$16M so far.

We were fortunate that two private sector CNG fuel providers, Trillium and Clean Energy, saw our commitment to assist operators in acquiring clean air vehicles, and leased airport property to develop high-capacity, fast-fill refueling stations, which together constitute the largest alternative fueling complex in the Bay Area. They did this without financial support from SFO, because of the substantial fuel needs of our operators and the consistently lower cost of natural gas, available via underground pipeline the length of the airport.

Our Clean Vehicle Policy set a goal of 100% clean air vehicles by 2012 in fleet categories where manufacturers offer product that is reliable and economical. Over the 10 years of the Policy, product hasn't always been available, especially after the OEM automakers stopped producing CNG vehicles in the early 2000s, leaving the market to conversion firms that were sometimes undercapitalized. Reliability suffered when engines were produced without hardened valves to counter the heat and pressure of compressed natural gas. And the converted product wasn't economical without grant subsidies. But now, bolstered by CARB regulations affecting private fleets and substantial R&D funding from the U.S. Department of Energy and California Energy Commission, many of those issues seem behind us. Large quantity orders of CNG medium-duty vehicles and aircraft GSE are being placed, increasing production economies of scale. At SFO, our program is now swinging back to include shared-ride vans, where 100% of the 300 permitted vehicles must have CNG-equivalent emissions by 2013, starting with 25% of the fleet this year. We are also focusing on airline crew shuttles and aircraft ground support equipment. We're confident that clean vehicle product is now available, economical, and reliable in most vehicle categories. Still, a larger State and national market for green vehicles is important to make all our programs function effectively.

Going forward, new vehicles and infrastructure are being developed with grant funds, including hybrid-electric minibuses, propane vans, and here at SFO, a Hythane-powered minibus using a blend of CNG and hydrogen. New fuel types will satisfy the Airport Commission's Clean Vehicle Policy only if their emissions are equal to or better

than current CNG vehicles in grams per mile of greenhouse gases, nitrous oxides, hydrocarbons, and particulate matter. Manufacturers will need to produce California Air Resources Board and California Energy Commission documentation substantiating emissions equivalency.

On the grants side, we will now be assisting operators in applying directly for grant funding from the Bay Area Air Quality Management District over a longer window each year. Karen Schkolnick of BAAQMD will tell us more about that this afternoon. Direct operator grant applications should substantially reduce paperwork and wait times for reimbursement.

In summary, our success with the Clean Vehicle Policy owes everything to our partners' willingness to order and operate green vehicles, and the sustained support of manufacturers, dealers, maintenance providers, and refuelers, many of whom are in this room. You guys have worked with the program in a very demanding environment of day-in, day-out high mileage service, sometimes learning on the job and fixing things that shouldn't have gone wrong. Thanks so much for greening your own fleets and helping the airport and the region achieve some very aggressive emission reduction targets that predated CARB regulations by a decade and continuing to exceed them. Similar actions by our partner airports distinguish California's airports from those in other parts of the country.