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ICAO Colloquium on Aviation and Climate Change

Alternative Fuels:

Key Steps for Airlines in Purchasing and Deploying Alternative Fuels

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Air Transport Association of America



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What Our Airlines Want in Alternative Fuels

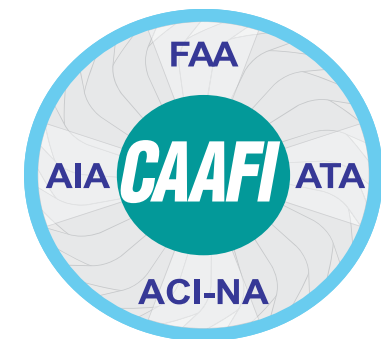
- Four Criteria:
 - Safety/Fuel Quality
 - Supply Reliability
 - Cost Competitiveness
 - Environmental Benefits
- Each Factors into the Potential Fuel Deal
 - But there are uncertainties in a new market . . .
 - So airlines have been taking action to reduce uncertainties and get to deals





Cooperative Efforts to Get to Deployment

- The Commercial Aviation Alternative Fuels Initiative (CAAFI)
 - Four teams aimed at addressing key questions
 - Certification/Qualification (e.g., jet fuel specs)
 - Research and Development (e.g., suitable fuels)
 - Business & Economics (e.g., finance/commercial terms)
 - Environment (e.g., methodologies and case studies)





Progress to Date Helps with Deals . . .

- Certification/Qualification
 - New jet fuel spec (D7566) for Fischer-Tropsch fuels
 - Further revision to the spec for hydroprocessed renewable jet (HRJ) expected 2010
- Research and Development
 - Primary focus on “drop-in” fuels has sped development and deployability



Progress to Date (cont.)

- Business/Economics
 - Supporting efforts for potential suppliers to qualify for loans; but more needed from governments
- Environmental
 - Agreement on steps in life cycle analysis; narrowing questions/uncertainties in analysis
 - Detail in Dr. Lourdes Maurice's presentation



Progress Towards Deals

- ATA Announced Memoranda of Understanding (MOUs) for Future Purchase Agreements
 - 14 airlines – HRJ/camelina+
 - 13 airlines – Fischer-Tropsch/ coal-biomass with carbon sequestration
- ATA Airlines Actively Exploring Other Deals
- ATA “Strategic Alliance” with the US Department of Defense (DESC) May Attract Further Suppliers to Aviation



More Needed to Drive Deals to Closure

- The Airlines & Aviation Community Are Doing Their Part
- But We Need a Little Help from Governments
 - Need proper “crediting” to airlines of environmental benefits of alternative Fuels
 - Government acceptance of life cycle analysis
 - Practical issue: co-mingling of purchased fuel in fuel storage system
 - Cost-competitiveness – need policies to support finance of feedstocks & facilities

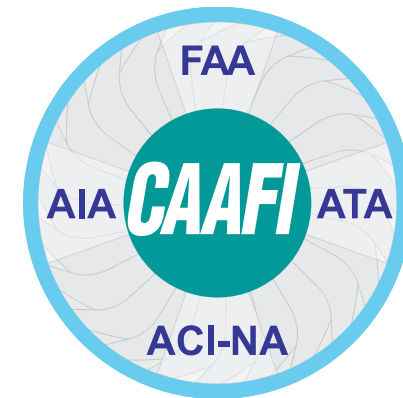


We Can Get There!

- If you want to feel good about the future, look up!



Air Transport Association



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