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117TH CONGRESS
2D SESSION

H. R. 8727

To establish an alternative fuel and low-emission aviation technology program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 16, 2022

Ms. WILLIAMS of Georgia (for herself, Mr. LARSEN of Washington, Mr. FITZPATRICK, Ms. BROWNLEY, Ms. TITUS, Mr. PAYNE, Mr. LYNCH, and Mr. CARSON) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To establish an alternative fuel and low-emission aviation technology program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Aviation Emissions Reduction Opportunity Act'' or the ''AERO Act''.

SEC. 2. ALTERNATIVE FUEL AND LOW-EMISSION AVIATION TECHNOLOGY PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Transportation, in consultation with the Secretary of Agriculture, the Secretary of Energy, and the Administrator of the Environmental Protection Agency, shall establish a competitive grant program to provide grants to eligible entities to carry out projects located in the United States that produce, transport, blend, or store sustainable aviation fuel, or develop, demonstrate, or apply low-emission aviation technologies.

(b) CONSIDERATIONS.—In carrying out subsection (a), the Secretary shall consider, with respect to a proposed project—

(1) the capacity for the eligible entity to increase the domestic production and deployment of sustainable aviation fuel or the use of low-emission aviation technologies among the United States commercial aviation and aerospace industry;

(2) the projected greenhouse gas emissions from such project, including emissions resulting from the development of the project, and the potential the project has to reduce or displace, on a lifecycle basis, United States greenhouse gas emissions associated with air travel;

(3) the capacity to create new jobs and develop supply chain partnerships in the United States;

(4) for projects related to the production of sustainable aviation fuel, the projected lifecycle greenhouse gas emissions benefits from the proposed project, which shall include feedstock and fuel production and potential direct and indirect greenhouse gas emissions (including resulting from changes in land use); and

(5) the benefits of ensuring a diversity of feedstocks for sustainable aviation fuel, including the use of waste carbon oxides and direct air capture.

(c) FUEL EMISSIONS REDUCTION TEST.—For purposes of clause (ii) of subsection (f)(7)(E), the Secretary shall, not later than 1 year after the date of enactment of this section, adopt at least 1 methodology for testing lifecycle greenhouse gas emissions that meets the requirements of such clause.

(d) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Out of any money in the Treasury not otherwise appropriated, there are authorized to be appropriated for each of fiscal years 2023 through 2027, $200,000,000 to carry out the purposes of this section, to remain available until expended.

(2) FUNDING DISTRIBUTION.—Subject to paragraph (4), of any amount made available under paragraph (1)—

(A) 30 percent of such amount shall be awarded for projects that develop, demonstrate, or apply low-emission aviation technologies; and

(B) 70 percent of such amount shall be awarded for projects that produce, transport, blend, or store sustainable aviation fuel.

(3) FEDERAL SHARE.—The Federal share of the cost of a project carried out using a grant provided under this section may not exceed 90 percent of the total cost of the project. The Secretary shall consider the extent to which a proposed project meets the considerations described in subsection (b) in determining the Federal share under this paragraph.

(4) ADMINISTRATION.—The Secretary may reserve not more than 2 percent of the amount appropriated under paragraph (1) for expenses related to administering this section.

(e) APPLICATION OF LAW.—

(1) BUY AMERICA.—None of the funds made available under this section may be obligated for a project unless all of the iron, steel, manufactured

products, and construction materials used in the project are produced in the United States, as such term is defined in section 70912 of the Infrastructure Investment and Jobs Act (Public Law 117–58).

(2) WAIVER.—Paragraph (1) shall not apply in any case or category of cases in which the Secretary finds that—

(A) applying paragraph (1) would be inconsistent with the public interest;

(B) types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality, or

(C) the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) WRITTEN JUSTIFICATION.—Before issuing a waiver under paragraph (2), the Secretary shall—

(A) make publicly available in an easily accessible location on a website designated by the Office of Management and Budget and on the website of the Federal agency a detailed written

explanation for the proposed determination to issue the waiver; and

(B) provide a period of not less than 15 days for public comment on the proposed waiver.

(4) PREVAILING WAGES.—The Secretary shall take such action as may be necessary to ensure that all laborers and mechanics employed by contractors or subcontractors on a project assisted in whole or in part by funding made available under this section shall be paid wages at rates not less than those prevailing for the same type of work on similar projects in the locality as determined by the Secretary of Labor, in accordance with sections 3141–3144, 3146, and 3147 of title 40. The Secretary of Labor shall have, with respect to the labor standards specified in this subsection, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 3145 of title 40.

(5) PROJECT DEFINED.—In this subsection, the term ''project'' means construction, alteration, maintenance, or repair.

(f) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a State or local government, including the District of Columbia and any territory of the United States, other than an airport sponsor;

(B) an air carrier;

(C) an airport sponsor;

(D) an accredited institution of higher education;

(E) a research institution;

(F) a person or entity engaged in the production, transportation, blending, or storage of sustainable aviation fuel in the United States or feedstocks in the United States that could be used to produce sustainable aviation fuel;

(G) a person or entity engaged in the development, demonstration, or application of low-emission aviation technologies; or

(H) nonprofit entities or nonprofit consortia with experience in sustainable aviation fuels, low-emission aviation technologies, or other clean transportation research programs.

(2) FEEDSTOCK.—The term ''feedstock'' means sources of hydrogen and carbon not originating from unrefined or refined petrochemicals.

(3) INDUCED LAND-USE CHANGE VALUES.—The term ''induced land-use change values'' means the greenhouse gas emissions resulting from the conversion of land to the production of feedstocks and from the conversion of other land due to the displacement of crops or animals for which the original land was previously used, as calculated using appropriate modeling techniques such as the methods adopted by the International Civil Aviation Organization for fuels eligible for the Carbon Offsetting and Reduction Scheme for International Aviation.

(4) LIFECYCLE GREENHOUSE GAS EMISSIONS.—The term ''lifecycle greenhouse gas emissions'' means the combined greenhouse gas emissions from feedstock production, collection of feedstock, transportation of feedstock to fuel production facilities, conversion of feedstock to fuel, transportation and distribution of fuel, and fuel combustion in an aircraft engine, as well as from induced land-use change values, as calculated using appropriate modeling techniques such as the methods adopted by the International Civil Aviation Organization for

fuels eligible for the Carbon Offsetting and Reduction Scheme for International Aviation.

(5) LOW-EMISSION AVIATION TECHNOLOGIES.—The term ''low-emission aviation technologies'' means technologies, produced in the United States, that significantly—

(A) improve aircraft fuel efficiency;

(B) increase utilization of sustainable aviation fuel; or

(C) reduce greenhouse gas emissions produced during operation of civil aircraft.

(6) SUSTAINABLE AVIATION FUEL.—The term ''sustainable aviation fuel'' means liquid fuel, produced in the United States, that—

(A) consists of synthesized hydrocarbons;

(B) meets the requirements of—

(i) ASTM International Standard D7566; or

(ii) the co-processing provisions of ASTM International Standard D1655, Annex A1 (or such successor standard);

(C) is derived from biomass (in a similar manner as such term is defined in section 45K(c)(3) of the Internal Revenue Code of

1986), waste streams, renewable energy sources, or gaseous carbon oxides;

(D) is not derived from palm fatty acid distillates; and

(E) achieves at least a 50 percent lifecycle greenhouse gas emissions reduction in comparison with petroleum-based jet fuel, as determined by a test that shows—

(i) the fuel production pathway achieves at least a 50 percent reduction of the aggregate attributional core lifecycle emissions and the induced land use change values under a lifecycle methodology for sustainable aviation fuels similar to that adopted by the International Civil Aviation Organization with the agreement of the United States; or

(ii) the fuel production pathway achieves at least a 50 percent reduction of the aggregate attributional core lifecycle greenhouse gas emissions values and the induced land-use change values under another methodology that the Secretary determines is—

(I) reflective of the latest scientific understanding of lifecycle greenhouse gas emissions; and

(II) as stringent as the requirement under clause (i).

SEC. 3. CONTINUOUS LOWER ENERGY, EMISSIONS, AND NOISE PROGRAM.

Section 47511 of title 49, United States Code, is amended by adding at the end the following:

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of Transportation $100,000,000 for each of fiscal years 2023 through 2027 to carry out this section. Such sums shall remain available until expended.''.

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