Defense Department, Airlines Sign Alternative Fuels Pact

By Kelly Widener Defense Energy Support Center

FORT BELVOIR, Va., March 22, 2010 – A new agreement between the Defense Logistics Agency's Defense Energy Support Center and the Air Transport Association of America will help to promote widespread commercialization of environmentally friendly aviation fuels with less reliance on fossil fuels.

Representatives of the Defense Logistics Agency's Defense Energy Support Center and the Air Transport Association of America signed a strategic alliance agreement in Washington, D.C., March 19.

The agreement highlights the shared goals of the Defense Department and the principal U.S. airlines to advance the development and deployment of commercially viable and environmentally friendly alternative aviation fuels, officials said.

"This is a significant step forward in the alternative fuels arena, and further shows commitment by the Department of Defense and the commercial aviation industry in our mutual goal of promoting energy security and safeguarding the health of our environment," said Navy Rear Adm. Kurt L. Kunkel, Defense Energy Support Center commander.

The strategic alliance, officials said, is designed to establish a collaborative forum focused on spurring growth in the alternative aviation fuels market.

"By collaborating, we reinforce our commitment to fostering the widespread commercialization of alternative jet fuel," said James C. May, Air Transport Association president and CEO. "In the evolving landscape of alternative energy, it is in our collective interest to see aviation at the forefront.

"The airline industry and [the Defense Department] collectively require more than 1.5 million barrels of jet fuel per day," he continued. "By combining our talents and experience, we are better positioned to explore cooperative market engagement for fuel, improve the financial prospects for alternative fuels infrastructure, accelerate fuel certification efforts and refine our methodology for determining environmental impacts."

Kunkel noted that energy security affects all Defense Department readiness, operations and business decisions.

"Doing what is right for our armed forces is an ingrained piece of our mission at the Defense Logistics Agency and [the Defense Energy Support Center], Kunkel said. "It drives us forward. Doing what is right also means doing what is efficient and in the best interest of our environment, while continuing to move forward with technology and energy advancements. The strategic alliance represents this commitment."

The alliance directs the formation of three collaborative teams, with each team focused on specific developmental and marketing models of the alternative fuels goals.

The environment team will identify common methodologies for life-cycle assessment of greenhouse gas emissions for alternative aviation fuels, May said. The deployment and

logistics team will identify locations or regions suitable for alternative fuels production and deployment, as well as means of distribution to and from those locations. The contracting and finance team will jointly publicize supply opportunities, explore opportunities for complementary fuel-supply agreements and develop compatible pricing and finance mechanisms.

The alliance teams are scheduled to participate in a special aviation session at the Advanced Biofuels Leadership Conference April 27-29. They also will conduct an industry forum at the Defense Energy Support Center's worldwide energy conference in May, where they will meet jointly with alternative fuel suppliers to discuss an array of projects across the country to deploy alternative aviation fuels.

Working together in the area of alternative fuels is not new for the Defense Energy Support Center and the Air Transport Association, May noted.

"[Signing the strategic alliance] is a key step forward in a long-standing relationship of collaboration between our nation's airlines and the military, and this alliance will generate tangible, long-lasting benefits for the entire country," he said.

Through the combined efforts of the Commercial Aviation Alternative Fuels Initiatives -- a joint Defense Energy Support Center and Air Transport Association working group -- fuels produced using the Fischer-Tropsch process were approved for use in commercial aviation in September. The Fischer-Tropsch process uses certain chemical reactions to produce synthetic oils and fuels from coal, natural gas and biomass.

Additionally, approval of a new class of hydrotreated renewable jet fuels is expected in the second half of 2010. Various plant-derived oils can be treated with water as part of a chemical reaction to produce jet fuel.

"Development of alternative fuels as an energy solution to our customers and the commercial aviation industry is still in the initial stages, but actions such as this alliance will make those potential solutions a reality as we work together and leverage our capabilities," Kunkel said. "We have outstanding, committed goals for alternative fuel and renewable energy in the future, but reaching our goals is a team and collaborative effort – no one can do it alone. This strategic alliance is creating one of those teams, and we are happy to be part of it." **Biographies:**

Navy Rear Adm. Kurt L. Kunkel

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