

Statement of Chairman Max Baucus
Senate Finance Committee Field Hearing: Airfields and Alternative Fuels
Dubuque, Iowa
August 27, 2007

Today's hearing explores two issues that are critical to the well-being of rural economies and the individuals who depend on them: transportation and energy. Whether it's airways or highways, ethanol or crude oil, transportation and energy are critical to economic development. This is especially true in rural areas like Montana and Iowa, where distances are great and populations are small.

The issues of transportation and energy are closely linked: as air travel grows, energy use grows with it. Last year the Federal Aviation Administration projected that the number of aircraft in the U.S. commercial fleet will grow from around 7,600 in 2006 to about 11,000 in 2020. The general aviation fleet is expected to increase from about 225,000 planes now to 275,000 in 2020. And as air traffic increases, the use of fossil-based aviation fuels will also grow fast: FAA estimates that airlines' fuel consumption will increase by more than 68% in the next 15 years. Fuel consumption by general aviation aircraft is expected to triple. This rise in the use of fossil fuels increases our dependence on foreign oil and adds to the growing problem of climate change.

That's why it's important that we push the use of alternative fuels in both aviation and surface transportation. The Senate Finance Committee has passed legislation to advance the use of ethanol, biodiesel and other alternative fuels for surface transportation, and I will keep working until this legislation clears the full Senate and becomes law.

As for aviation, the Finance Committee will consider legislation in the coming weeks to reauthorize the Airport and Airway Trust Fund, including implementation of the Next Generation Air Transportation System (NextGen). NextGen is a satellite-based means of managing air traffic that will allow us to handle more flights with fewer delays, leading to more efficient use of fuel in the process. Today's testimony will provide important input for this debate.

Witness testimony will also provide background on some of the important alternatives being developed for aviation fuels, including the Air Force's efforts to develop synthetic jet fuel. The Air Force is aiming to derive half of the fuel it uses in the lower 48 states through a synthetic blend by 2016. I am interested to learn about the Air Force's progress in reaching this goal, as well as its plans to develop these synthetic fuels in an environmentally-sound manner.

For those interested in transportation and energy policy, these are exciting times. From biofuels to satellites, from very light jets to clean coal technology, the landscape of transportation and energy policy is in a state of dramatic change. Our task is to ensure that this change is brought about for the good – and that Rural America is not left behind in the process.

Thanks to our witnesses for their participation in today's hearing. I look forward to a full review of their testimony.