



July 25, 2024

Mr. William Hohenstein
Office of Energy and Environmental Policy
U.S. Department of Agriculture
1400 Independence Avenue SW
Washington, D.C. 20250

Submitted Via Email: sm.oce.ocep.CSABiofuels@usda.gov

Re: Procedures for Quantification, Reporting, and Verification of Greenhouse Gas Emissions Associated With the Production of Domestic Agricultural Commodities Used as Biofuel Feedstocks⁸⁹ FR 53585; Docket No. USDA-2024-0003

Dear Mr. Hohenstein,

The Business Aviation Coalition for Sustainable Aviation Fuel (BizAv SAF Coalition) applauds the Biden Administration for its leadership to spur the production of sustainable transportation fuels and specifically sustainable aviation fuel (SAF). We appreciate the leadership from the U.S. Department of Agriculture (USDA) on issues related to the verification of greenhouse gas emissions associated with climate smart agriculture.

What follows are our brief comments related to the above-cited Request for Information (RFI).

Additionally, timely guidance and implementation are necessary to provide the clarity and the certainty needed to maximize the investment opportunity created by the IRA.

The §45Z Clean Fuel Production Credit (CFPC) is critical to industry success, and we are keenly interested in working with both USDA and the U.S. Department of Treasury to ensure that the §45Z credit is implemented in a manner consistent with the intent of both Congress and the Administration. The intent being to promote and accelerate investment in SAF. In addition to our comments, we would like to schedule a meeting with your team and members of our BizAv SAF Coalition, to provide you with our insights related to SAF and business aviation.

Business aviation, historically an early adopter of new technologies, has a solid track record of environmental stewardship and efficiency. The business aviation community is building on this performance as the world continues to emerge from the pandemic and as decarbonization and climate action become increasingly important.

Our sector has created an aggressive program to address the industry's carbon emissions by meeting the three following targets:

- Improving fuel efficiency 2% per year on average from 2020 until 2030
- Achieving carbon-neutral growth from 2019
- Reaching net-zero carbon emissions by 2050

Our industry will achieve these objectives through improvements in the following areas:

- Modern Technology – New, innovative aircraft models will have to be even more efficient, and use of sustainable propulsion systems, such as electric, hydrogen and hybrid, could play an important role in the component of business aviation that uses smaller aircraft over shorter distances.
- Sustainable Aviation Fuels (SAF) – SAF will be a critical key to unlock our way to net-zero carbon emissions by 2050. It is a demonstrated technology in use today. The central challenges are scaling up production and making it available at reasonable prices. A transparent, accountable book-and-claim system, recognized globally, could significantly help the industry encourage greater use and production.
- Operational Improvements & Modernized Infrastructure – Operators are always looking to reduce weight and fly more directly, thereby using less fuel and emitting less carbon. More modern air traffic control and airport infrastructures will contribute to more efficient operations and use of sustainable sources of power on the ground.
- Out-of-Sector Measures – While we expect the benefits of the above measures to have large impacts on reducing emissions directly from the sector over the longer term, out-of-sector measures, such as voluntary, high-quality offsets and carbon capture, can provide options for supporting action to reduce the industry’s carbon emissions now and contribute to eliminating residual carbon emissions by 2050.
- Competitive marketability – The USA is historically a nation changemaker and should stand as an example of industry modernization and environmental efficacy. USA based industry should remain competitive with international operators who are also pursuing SAF. Generating significant advertising, fostering promotion, and creating clear incentives geared towards both suppliers and producers of SAF will help to set the USA apart from international competition

The United States Government plays an important role as we work together to implement policies like the §45Z CFPC to:

- (a) incentivize production, sustainable distribution, and consumption of SAF,
- (b) encourage R&D in sustainable feedstocks for and production of SAF; and
- (c) foster modernization and improvement of industry’s ability to leverage the latest in technology.

Under this RFI, The U.S. Department of Agriculture (USDA) is seeking public input on procedures for the quantification, reporting, and verification of the effect of climate-smart farming practices on the greenhouse gas (GHG) net emissions estimates associated with the production of domestic agricultural commodities used as biofuel feedstocks. The RFI seeks information on practices that have the potential to mitigate GHG emissions and/or sequester carbon, and quantification, reporting, and verification approaches for the GHG outcomes associated with domestic agricultural commodities used as biofuel feedstocks.

The ongoing development of §45Z guidance will have significant impacts on the future of SAF for the BizAv community, locally and globally. The potential rulemaking referenced in this RFI provides an excellent opportunity for USDA to engage domestic and international stakeholders from the business aviation community and to leverage USDA expertise in agriculture to inform the §45Z guidance on the beneficial impact of climate smart agriculture (CSA) practices.

Specifically related to SAF and the Biden Administration’s ambitious SAF Grand Challenge, it is likely that we will only achieve those goals through the existing scale and capabilities of U.S. agriculture through access to sustainable crop-based feedstocks. The process created by USDA of establishing standards for quantifying, reporting, and verifying GHG outcomes for CSA, that are applicable to all agricultural commodities, will provide the U.S. industry with necessary tools, data and empirical evidence to reach the ambitious goal of three billion gallons of U.S. SAF production by 2030

Additionally, it is important to recognize that feedstocks cultivated in other regions of the world will also play a crucial role in scaling SAF production in the U.S. There is a high demand for SAF and the potential for other countries to supply intermediary products for SAF production. This would lead to an acceptance of CSA practices

implemented in other countries for the production of feedstocks for advanced fuel production to be recognized and accepted here in the United States.

Furthermore, the biofuels market continues to evolve. We know that technological innovation and crop Innovation is advancing at an unprecedented rate to reduce GHGs. BizAv SAF Coalition encourages the Department to enable as much adaptability and flexibility in its framework as is practicable and encourage the USDA to embrace a performance-based approach in its analysis, focusing on outcomes rather than prescriptive and exclusionary lists of acceptable feedstocks.

In the RFI, USDA created 5 categories and 26 questions as follows:

<i>Qualifying practices:</i>	<i>(Questions 1-4)</i>
<i>Quantification:</i>	<i>(Questions 5-11)</i>
<i>Soil Carbon:</i>	<i>(Questions 12-14)</i>
<i>Verification and Recordkeeping:</i>	<i>(Questions 15-20)</i>
<i>Verifier Qualifications/ Accreditation Requirements:</i>	<i>(Questions 21-26)</i>

We will focus on questions 21 and 23.

Question 21. How could USDA best utilize independent third-parties (i.e., unrelated party certifiers) to bolster verification of practice adoption and maintenance and/or supply chain traceability? What standards or processes should be in place to prevent conflicts of interest between verifiers and the entities they oversee?

Question 23. What independent third-party verification systems currently exist that may be relevant for use in the context of verifying climate-smart agricultural practices (as identified under questions 1 and 2) and/or biofuel supply chains?

The BizAv SAF Coalition encourages USDA to leverage to the greatest extent possible existing sustainability certification frameworks to avoid the need for onerous or duplicative oversight and verification frameworks. Functionality and efficiency are key to fostering adoption of a program or practice.

Similarly, the §45Z CFPC should use systems already created to bolster verification and allow independent third parties to be used within the program to help verify practice adoption, traceability and data accuracy. Verification systems are used to measure standards in many industries. Creating a program that spreads out the verification work to other parties that will allow a more in-depth and efficient review of high-risk areas in the system will bolster the reliability of the program and related data.

Additionally, we would encourage biofuel feedstock policy to not be overly prescriptive in dictating specific verifier and verification criteria or checklists for qualification. Flexibility is required to deploy a large-scale level of fuel producer verification and certification of compliance for any applicable feedstock CSA program and traceability requirements. Rather, the verifier and verification company should be empowered to develop detailed verification procedures and checklists that meet the overall program goals as set out by Treasury and the IRS in guidance.

These independent third parties need to be properly trained and overseen. We suggest that only firms held to other licensing or accreditation requirements be considered for these services. The two main categories that should be considered for accreditation requirements are CPA Firms and ISO Accredited

Firms. These systems both already have established guidelines to prevent conflicts of interest and avoid impartiality concerns.

This approach is consistent with many existing biofuel audit programs, such as in the RFS, ISCC-EU and CA-LCFS. §40B and §45Z each have independent third-party certification and verification requirements and any additional requirements necessary to implement recognition for CSA practices under those programs should integrate with the procedures and requirements of the §40B and §45Z programs.

Conclusion:

Thank you again for the opportunity to comment on this RFI at this critical juncture for the industry.

As stated earlier, we applaud the Biden Administration for its leadership in enacting meaningful incentives to spur the production of SAF and appreciate the leadership from USDA on issues related to the verification of greenhouse gas emissions associated with climate smart agriculture. We cannot overstate how critical and timely guidance and implementation of §45Z is necessary to provide the clarity and the certainty needed to maximize the investment opportunity created by the IRA.

The BizAv SAF Coalition appreciates having the opportunity to provide feedback on this RFI. We look forward to working with USDA, and both Treasury and the IRS to implement these important provisions that will create necessary opportunities for low carbon transportation fuels and that will sustainably help meet the nation's climate goals and look forward to meeting with you soon.

Sincerely,

The Business Aviation Coalition for Sustainable Aviation Fuel

- Commercial Aviation Alternative Fuels Initiative
- Canadian Business Aviation Association
- European Business Aviation Association
- General Aviation Manufacturers Association
- International Business Aviation Council
- National Aviation Transportation Association
- National Business Aviation Association
- Vertical Aviation International