



June 10, 2022

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: File Number S7-10-22, The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ms. Countryman:

On behalf of the National Business Aviation Association (NBAA), thank you for the opportunity to provide comments on the Commissioner's proposed rule: *The Enhancement and Standardization of Climate-Related Disclosures for Investors (File No S7-10-22)*.

NBAA represents more than 11,000 member companies, many of which are small businesses that rely on business aircraft to meet some portion of their transportation challenges. Business aircraft provide connectivity to communities in nearly every Congressional district, many of which are not served by commercial airlines. While the airlines serve only around 500 airports, business aviation can reach 5,000. The general aviation industry supports 1.2 million American jobs and \$247 billion in economic output.

Through the Business Aviation Commitment on Climate Change, our industry has pledged to achieve net-zero CO2 emissions by 2050. This goal builds on our proven track record of leading the way on fuel-saving technologies from winglets to highly efficient engine technology and advanced avionics. To achieve our 2050 goal, business aviation is making significant investments in zero-emission electric aviation, sustainable aviation fuel (SAF), optimizing GPS technology to fly the most direct and efficient routes, and utilizing sustainable infrastructure at airports. These initiatives will lead to a sustainable future for business aviation while maintaining the jobs our industry provides to American workers.

Scope 1 Emissions Disclosure Requirements

Currently, many NBAA member companies that would be subject to the Commissioner's proposed rule track and report emissions related to the jet fuel usage of their company-owned or operated business aircraft. This data is aggregated into corporate Environmental, Social, and Governance reports issued by the company. With the experience that business aviation professionals have reporting this information and making the associated calculations, we request that the final rule offer flexibility in making direct emissions calculations, so long as the calculations are consistent with the GHG emissions definitions in the proposed rule.

We also support the phase-in-period for third-party attestation requirements for Scope 1 emissions requirements. With the significant scale-up required to comply with the additional reporting, and need to retain a qualified independent firm to perform the attestation, we request that the Commission carefully monitor implementation of the proposed rule to determine if additional phase-in time is required needed for the attestation requirements.

Finally, to calculate Scope 1 emissions data, companies that own and operate business aircraft most coordinate closely with aircraft original equipment manufacturers (OEMs). As the Commission continues

its outreach to stakeholders impacted by the proposed rule, we request that business aircraft OEMs are included. NBAA offers frequent educational seminars to our members, including aircraft operators and OEMs, and we look forward to working with the Commission on additional outreach.

Sustainable Aviation Fuel

As a drop-in fuel, SAF is a low carbon synthetic jet fuel derived from sustainable feedstocks, which is available now but not at the levels to meet demand. With SAF able to reduce lifecycle greenhouse gas emissions by up to 80% compared to conventional jet fuel, significantly scaling up production is critical to achieving emissions reduction goals under programs like NBAA's Sustainable Flight Department Accreditation.

NBAA and our coalition partners in the *Business Aviation Coalition for Sustainable Aviation Fuel* continue to educate the airport and operator community about the benefits of SAF, which has led to broad acceptance and demand for the fuel. For example, NetJets, one of the largest business aircraft operators, has committed to purchasing 100 million gallons of SAF over the next ten years. Signature Flight Support, the world's largest chain of Fixed Based Operators, has SAF available at a growing list of general aviation airports and has supplied more than 6 million gallons of renewable fuel since 2020.

As SAF production continues to scale up to meet demand, business aviation is pursuing innovative measures to augment or stand-in for using SAF, including Book & Claim. This is a transactional process which gives a purchaser the option to buy SAF that is not physically available at a preferred location but is consumed somewhere else, "or Booked," by another purchaser. This system allows an aircraft operator that is unable to purchase SAF due to limited availability to realize the environmental benefit or credit associated with SAF.

While we understand that the proposed rule requires a reporting company to disclose GHG emissions in gross terms, excluding any use of purchased or generated offsets, we encourage the Commission to carefully analyze unique challenges for the aviation sector. Compared with other renewable fuels, the development of SAF has taken longer due to lengthy safety certification requirements and the lack of a dedicated federal tax credit structure. In addition, due to the limitations of battery technology and lengthy aircraft certification timelines, aviation is widely considered one of the most challenging transportation sectors to decarbonize.

We look forward to discussing the unique challenges of decarbonizing aviation in more detail and encourage the Commission to consider offsets and measures such as book and claim when considering the final Scope 1 reporting requirements.

Scope 3 Emissions Disclosure Requirements

The proposed requirement for certain reporting companies to disclose Scope 3 emissions is significant and will likely be difficult and complex to measure. In the business aviation context, it is common for reporting companies to charter aircraft from third-party firms. These are often small businesses that do not have the systems or expertise in place to provide detailed jet fuel emissions data. If charter operators must provide this data to reporting companies, significant educational outreach and phase-in periods are needed to develop systems and emissions estimates.

We appreciate that the Commission will not require Scope 3 reporting until the second fiscal year for which a reporting company is required to comply with the rules and that smaller companies would be exempted from the Scope 3 disclosure requirements. However, with the complexity, broad nature, and significant downstream impact on suppliers, we request that the Commission consider a more extended phase-in period for Scope 3 reporting.

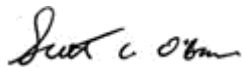
Finally, for Scope 3 reporting, we support the use of reasonable estimates for reporting companies to quantify the impact of their activities. For business aviation, we also support the use of industry-developed standards/metrics to measure emissions. If the Scope 3 reporting requirements move forward, our industry will likely need to develop tools to assist charter operators and other transportation providers.

We look forward to working with the Commission on acceptable means of compliance and estimates to assist reporting companies and their business travel suppliers.

Conclusion

We appreciate the significant work of the Commission in developing a proposal for standardizing environmental disclosures by reporting companies. However, we urge careful consideration of the significant costs and complexity that this proposal will bring to business aviation. Specifically for Scope 3 reporting, we recommend the Commission provide additional phase-in time so that all stakeholders, including business aviation suppliers, can be educated about impacts and compliance best practices.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott O'Brien".

Scott O'Brien
Senior Director, Public Policy & Advocacy