

## Alternative Fuels & Chemicals Coalition

Advocating for Public Policies to Promote the Development & Production of Alternative Fuels, Renewable Chemicals, Biobased Products, and Sustainable Aviation Fuels

## **UPDATED: AFCC's 2024 Appropriations Requests**

## **KEY PROGRAMS SUMMARY:**

## INTERIOR & ENVIRONMENT (I&E)

AFCC's priorities are indicated in red text

#### Subcommittee: Interior & Environment

## Agency: U.S. Department of Interior (DOI)

Account / Program:	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	FY 2023 Appropriation	President's FY 2024 Budget	AFCC's FY 2024 Request		
DOI: Department-wide Programs, Wildland Fire Management								
FY Appropriation	\$952,338,000	\$992,623,000	\$1,026,097,000	\$663,786,000	\$1,326,000,000	\$1,326,000,000		

### Including:

Fuels Management Activities   See footnote (1) below									
FY Appropriation	\$194,000,000	\$219,964,000	\$227,000,000	\$247,000,000	\$293,300,000	\$293,300,000			

Pollution Prevention Program, Smoke Preparedness Grants (per section 103(b)(3) of the Clean Air Act) | See Footnotes (1) & (2) below



## **Subcommittee:** Interior & Environment

## **Agency:** U.S. Department of Interior (DOI)

Account / Program:	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	FY 2023 Appropriation	President's FY 2024 Budget	AFCC's FY 2024 Request	
FY Appropriation	Authorizes use Wildland Fire Management funds (above) for this purpose	Authorizes use Wildland Fire Management funds (above) for this purpose	Authorizes use Wildland Fire Management funds (above) for this purpose	Authorizes use Wildland Fire Management funds (above) for this purpose	Authorize use of Wildland Fire Management funds for this purpose	Continue to authorize use of Wildland Fire Management funds for this purpose	
An authorization Interior and Agri Authorization		tate and expedit		gement program	ns and projects		

### Subcommittee: Interior & Environment

## Agency: U.S. Environmental Protection Agency (EPA)

Account / Program:	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	FY 2023 Appropriation	President's FY 2024 Budget	AFCC's FY 2024 Request		
EPA: Environment	EPA: Environmental Programs and Management; Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6901), RCRA Waste Management							
FY Appropriation	\$66,819,000*	\$59,769,000*	\$70,465,000*	\$75,810,000*	\$90,634,000	\$90,634,000		



Account / Program:	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	FY 2023 Appropriation	President's FY 2024 Budget	AFCC's FY 2024 Request				
<b>EPA: Environmental Programs and Management; Resource Conservation and Recovery Act (RCRA)</b> (42 U.S.C. 6901), <b>RCRA Waste Minimization &amp; Recycling</b>										
FY Appropriation	\$9,051,3000*	\$9,982,000*	\$12,603,000*	\$10,252,000*	\$12,668,000*	\$12,668,000*				
Appropriation Note:	*Included under FY2020 appropriation of \$2,988,189,000 for Environmental Programs and Management Technology; Cle	*Included under FY2021 appropriation of \$3,266,330,000 for Environmental Programs and Management an Air and Clima	*Included under FY2022 appropriation of \$2,988,189,000 for Environmental Programs and Management  te: Federal Veh	*Included under FY2023 appropriation of \$3,266,330,000 for Environmental Programs and Management icle and Fuel Sta	*Include under FY24 request of \$4,491,011,000 for Environmental Programs and Management	*Include under FY24 request of \$4,491,011,000 for Environmental Programs and Management				
FY Appropriation	\$94,790,000*	\$87,233,000*	\$101,348,000*	\$117,341,000*	\$179,617,000*	\$179,617,000*				
Appropriation Note:	*Included under FY2020 Environmental Programs and Management appropriation	*Included under FY2021 Environmental Programs and Management appropriation	*Included under FY2023 Environmental Programs and Management appropriation	*Included under FY2023 Environmental Programs and Management appropriation	*Include under FY24 request of \$4,491,011,000 for Environmental Programs and Management	*Include under FY24 request of \$4,491,011,000 for Environmental Programs and Management				
EPA: State and T	ribal Assistance G	Grants; Pollution	<b>Prevention Pro</b>	gram						
FY Appropriation	\$5,545,500*	\$5,022,000*	\$4,630,000*	\$4,973,000*	\$5,775,000*	\$5,775,000*				



Account / Program:	FY 2020 Appropriation	FY 2021 Appropriation	FY 2022 Appropriation	FY 2023 Appropriation	President's FY 2024 Budget	AFCC's FY 2024 Request	
Appropriation Note:	*Included under FY 2020 Environmental Programs and Management appropriation	Included under FY2021 Environmental Programs and Management appropriation	*Included under FY2023 Environmental Programs and Management appropriation	under FY2023 Environmental Programs and	*Include under FY24 request of \$4,491,011,000 for Environmental Programs and Management	*Include under FY24 request of \$4,491,011,000 for Environmental Programs and Management	

### **Including:**

Pollution Prevention Program, Multi-Media and Single Media Pollution, Control, and Abatement Grants									
FY Appropriation	\$215,906,000	\$212,284,000	\$225,304,000	\$237,000,000	\$279,440,000	\$279,440,000			
Pollution Prevention Program, Diesel Emissions Reduction Grants (per Title VII, Subsection G, Energy Policy Act of 2005)									
FY Appropriation	\$99,130,100	\$87,360,000	\$90,000,000	\$100,000,000	\$150,000,000	\$150,000,000			
Pollution Prevention Program, Smoke Preparedness Grants (per section 103(b)(3) of the Clean Air Act)   See Footnote (1) below									
FY Appropriation	N/A	N/A	\$4,000,000	\$7,000,000	\$7,000,000	Increase to \$15,00,000 per footnote (1)			

EPA: Clean Air Act; Forest Residuals | see Footnotes (1) & (2) below

Modernization of GHG Modeling Studies Used in the Renewable Fuel Standard | See Footnote (3) below

Eliminate EPA Toxic Substances Control Act (TSCA) Applicant Filing Fees for Pre-Manufacture Notices (PMNs) and Microbe Commercial Activity Notices (MCANs) | See Footnote (4) below



#### **Footnotes:**

- (1) This request is consistent with and will facilitate the <u>mandate</u> to the Environmental Protection Agency, Department of Interior, and Department of Agriculture, as set forth in "Policies Relating to Biomass Energy" (page 372, Consolidated Appropriations Act of FY2023, H.R. 2617) which, in addition to increasing smoke preparedness grants to protect public health, will:
  - Ensure coordination and consistency across all federal departments and agencies relating to forest bioenergy, of which wildfire management is an integral part
  - Facilitate responsible forest management
  - Encourage forest management to improve forest health
  - Establish clear and simple policies for the use of forest biomass, the removal of which will reduce the hazards of wildfires, thus, protecting forest diversity, wildlife habitats, private property, and smoke emissions affecting public health
  - Encourage private investment throughout the forest biomass supply chain so the removal of wildfire-causing forest residuals is carried out without cost to the federal government
  - Recognize biomass as a renewable energy source which represents significant
    economic and environmental value to the Nation by replacing fossil-based fuels,
    power, and consumer products with alternative fuels, renewable chemicals, and
    biobased products "provided the use of forest biomass for energy production does
    not cause conversion of forests to non-forest use."
- (2) Smoke from wildfires releases large amounts of carbon dioxide, black carbon, brown carbon, and ozone precursors into the atmosphere, as well as volatile and semi-volatile organic materials and nitrogen oxides that form ozone and organic particulate matter, leading to harmful exposures to the populations impacted by the ever-increasing incidence and intensity of wildfires -- first responders, local residents, wildlife, and now, even distant populations.

One effective and long-lasting way of implementing smoke preparedness to protect public health would be to eliminate – or at least reduce – one of the major contributors to wildfires: the accumulations of diseased, dying, and insect-infested trees and underbrush, fallen trees, slash piles, and discarded forest waste.

The following proposal from AFCC and its 150+ member companies would allow dead and diseased wood to be removed from national forests and public lands which increase wildfire danger and destruction.



#### **AFCC Proposal:**

Add the following language at the end of the first paragraph under Environmental Programs and Management (FY2023 Consolidated Appropriations Act – H.R. 2617, pg. 333):

Strike the period after "... fiscal year 2024)" and replace with a colon. Add the following language:

"Provided further, That the Administrator shall use \$1,000,000 of such amount to implement programs in accordance with Part C, Prevention of Significant Deterioration of Air Quality, Section 7479 Definitions, in the Clean Air Act of 1963 (P.L. 88-206), 42 USC 85, as amended in 1990 (P.L. 101-549), to prevent the deterioration of air quality due to the increased occurrences and dangers of wildfires, and to reduce the escalating costs of wildfires and the losses of forest resources, habitats, property, and lives, in accordance with the following definition of "forest residuals," which shall state that "the term 'forest residuals' means diseased, dying, and insect-infested trees and underbrush, fallen trees, residual materials from ecological restoration activities, and secondary, residual materials generated from timber sales, pre-commercial thinning operations, and forest products manufacturing, including, but not limited to, small diameter branches and tree tops discarded by timber operations, slash piles, sawdust, wood chips, shavings, bark, sander dust, and trimmings, as well as materials from the control of hazardous fuels in the immediate vicinity of buildings and other infrastructure at risk of wildfires, with 'immediate vicinity' defined as being located within a designated wildfire or fuel hazard area, as shown on U.S. Forest Service wildfire hazard maps which have a moderate, high, or very high risk of catastrophic wildfires, regardless of whether the source of said residuals is derived from Federal or non-Federal land, which may be used as renewable biomass to produce value-added, renewable products, which shall qualify for the State and Federal incentives for the production of said products, in accordance with the "Policies Relating to Biomass Energy" in the Consolidated Appropriations Acts of fiscal years 2017 through 2023, to reduce the dangers, destruction, and occurrences of wildfires, which release large amounts of carbon dioxide, black carbon, brown carbon, and ozone precursors into the atmosphere, as well as volatile and semi-volatile organic materials and nitrogen oxides that form ozone and organic particulate matter, leading to harmful exposures to first responders, local residents, wildlife, and distant populations, as well as losses of forest resources, wildlife habitats, property, and lives."

AFCC's proposal would avoid opening the Renewable Fuel Standard (RFS), which has statutory restrictions on the use of woody biomass from national forests.



The language proposed by AFCC would provide direction from Congress to the EPA Administrator to supersede current restrictions in the definition of "renewable biomass" (Subtitle A, Section 201, Paragraph (I), Subparagraphs (iv) and (v), Energy Independence and Security Act of 2007, P.L. 110-140) on the removal of slash and pre-commercial thinnings, and diseased and dead wood on Federal lands by providing a definition for "immediate vicinity" in Subparagraph (v), which has not previously been statutorily defined, based on fire behavior data collected by the U.S. Forest Service, which has been arbitrarily and so narrowly interpreted by the EPA as to be meaningless in mitigating the dangers, loss of habitats, property, lives and cost of wildfires.

By stating that renewable biomass from forest residuals used to produce renewable value-added products will qualify for State and Federal incentives — without directly mentioning the RFS or Renewable Identification Numbers (RINs) — allows the mandates in the "Policies Relating to Biomass Energy" in the Consolidated Appropriations Acts of fiscal years 2017 through 2023 to be carried out, as well as providing the necessary economic incentives to companies developing biomass-based projects to remove the forest residuals in a manner consistent with applicable Federal laws, using responsible forest management, and to do so at little cost to the Federal government.

Assisting the biofuels industry with readily available, low- or no-cost feedstocks will create jobs, provide economic value, and generate tax revenues for rural communities while, at the same time, mitigating the incidence and damage caused by wildfires.

Drought, intensified by climate change, as well as insect infestations and disease have put national forests, public lands, private forest lands, and rural areas at increased risk of catastrophic wildfire. Removing decayed and diseased forest residuals for use as feedstock for value-added products in the production of renewable chemicals, biobased products, advanced biofuels, cellulosic biofuels, and sustainable aviation fuels would alleviate the buildup of residual forest waste and mitigate the damage and costs of future wildfires. Thus, a significant liability and threat to natural habitats, wildlife, private property, and lives could be reduced and turned into an asset that would create jobs, stimulate economic development in rural areas, and put the Nation on a path to sustainability and global leadership in the production renewable products.

Annual removal of forest residuals by the Forest Service and Federal land management agencies prior to each fire season would mitigate fires during the fire season and open up land to grow new trees. Sustainable forest management practices employed by the



Forest Service and federal land management agencies will be required to manage the removal forest residuals and deliver them to central locations for chipping. The chipped residuals would be delivered to or picked up by users who intend to use the residuals as feedstocks to produce value-added products such as renewable chemicals, biofuels, and biobased products.

(3) The EPA appears to be poised to adopt a methodology for greenhouse gas (GHG) modeling that is different from the modeling used by other Federal agencies and the laboratories that provide life cycle analysis (LCA) and GHG modeling to U.S. companies.

This could cause significant confusion between federal agencies in measuring GHG emissions and companies seeking to take advantage of Federal grants and loan guarantee to advance their projects.

For this reason, the House and Senate bills, H.R. 3592 and S. 193 from the second session of the 117<sup>th</sup> Congress, *Adopt the Greenhouse Gases, Regulated Emissions, and Energy use in Transportation model Act* or "Adopt GREET Act," need to be incorporated into the FY2024 I&E appropriation.

These bills would require the Environmental Protection Agency (EPA) to update its greenhouse gas (GHG) modeling for ethanol and biodiesel. Specifically, the bills would require EPA to adopt either the Argonne National Lab's Greenhouse Gas and Regulated Emissions and Energy Use in Transportation (GREET) Model or the 2019 U.S. Department of Agriculture (USDA) methodology.

EPA would then be required to update its modeling every five years or report to Congress to affirm its modeling is current or otherwise explain why no updates were made. This would ensure that accurate carbon intensity values are assigned to ethanol and biodiesel production.

The updates recognize that significant emissions reductions have taken place at the farm level and support existing farmer-led efforts to adopt agricultural practices that benefit soil health and water quality while also reducing GHG emissions, such as precision agriculture, no-till, and smart farming.

These emission reductions are incorporated into the new GREET model and are an important factor for determining the carbon of ethanol production.

Other factors that affect lifecycle greenhouse gas assessments are estimates and ranges of Land Use Changes (LUC), farming, co-product credit, fuel production, fuel and feedstock transport, tailpipe, and denaturant emissions.

The language proposed below by AFCC for inclusion in the I&E appropriations will ensure that the EPA administrator is directed to use the most recent GREET model. The language



proposed by AFCC also will tie in with and support H.R. 3592 and S. 193, Adopt the Greenhouse Gases, Regulated Emissions, and Energy use in Transportation model Act or "Adopt GREET Act,", as proposed.

Add the following language at the end of the first paragraph under Environmental Programs and Management (FY2023 Consolidated Appropriations Act, H.R. 2617, pg. 333) to be added at the end of the first paragraph ending "... for fiscal year 2024."

Strike the period after "... for the fiscal year 2024" and replace with a colon. Add the following language:

"Provided further, That the Administrator shall update and adopt the most recent modeling for lifecycle greenhouse gas assessments for corn-based ethanol, biodiesel, and all other purposes using modernized methods as set forth in the most recent Argonne National Laboratory's Greenhouse gases, Regulated Emissions and Energy use in Transportation, commonly referred to as the GREET modeling tool, to improve the way in which these assessments are conducted, ensure greater accuracy, and provide consistency across all Federal agencies so that more projects can advance that produce ethanol, biofuels, and other transportation fuels and power production technologies that reduce the Nation's reliance on fossil fuels."

# (4) Eliminate EPA Toxic Substances Control Act (TSCA) Applicant Filing Fees for Pre-Manufacture Notices (PMNs) and Microbe Commercial Activity Notices (MCANs)

To prevent further increases in TSCA filing fees, AFCC and its 150+ member companies are recommending that the <u>2016 The Frank R. Lautenberg Chemical Safety for the 21<sup>st</sup> Century Act</u> and the appropriation language under Title II, Environmental Protection Agency, Environmental Programs, page 333 of the Consolidated Appropriations Act of FY 2023, be amended, since it appears that the EPA is abusing its authority under said Act and the intent of Congress in how risk-based chemical assessments should be carried out.

Congress did not authorize consistent increases in fees by EPA to carry out its statutory responsibilities under said Act.

For example, the payment of fees for Pre-Manufacture Notice (PMN) and Microbial Commercial Activity Notice (MCAN) after a 90-day completion should be an option for expedited service.

AFCC recommends that the scope in said Act and the appropriation language be amended to allow for Pre-Manufacture Notice (PMN) reviews that provide for a short review within



two weeks of receipt of an application to determine whether a full PMN or MCAN is needed.

AFCC further recommends that such strategies and others should be considered by EPA before any filing fee increases are assessed, which EPA recently has proposed in its rulemaking to increase the PMN and MCAN fees ninefold from \$5,000 to \$45,000 per each application filed.

AFCC and its 150+ member companies urge EPA to go through the appropriate annual appropriations process with a line-item request for funds to be provided by Congress for reviewing PMNs and MCANs, and to not continuously increased fees for reviewing applications without Congressional authorization.

A line item increase of \$5,000,000 from Congress for Toxic Substances Control Act (TSCA) Reform would provide EPA with sufficient appropriated monetary carry out these filings without increasing the costs to applicants to an unsustainable level.

AFCC, therefore, proposes that the appropriations language under Environmental Programs and Management be amended to read as follows with the amendments proposed by AFCC indicated in blue text:

In addition, \$14,000,000, to remain available until expended, for necessary expenses of activities described in section 26(b)(1) of the Toxic Substances Control Act (15 U.S.C. 2625(b)(1)): Provided, That fees collected pursuant to that section of that Act and deposited in the "TSCA Service Fee Fund" as discretionary offsetting receipts in fiscal year 2024 shall be retained and used for necessary salaries and expenses in this appropriation and shall remain available until expended: *Provided further*, That the Administrator shall not raise fees on applicants for Pre-Manufacture Notice and Microbial Commercial Activity Notice applications beyond the FY2022 levels of said fees and shall instead request funds for any costs in excess of the fees collected as part of the Environmental Protection Agency annual appropriation requests: Provided further, That the sum herein appropriated in this paragraph from the general fund for fiscal year 2024 shall be reduced by the amount of discretionary offsetting receipts received during fiscal year 2024, so as to result in a final fiscal year 2024 appropriation from the general fund estimated at not more than \$0: Provided further, That to the extent that amounts realized from such receipts exceed \$14,000,000, those amount in excess of \$14,000,000 shall be deposited in the "TSCA Service Fee Fund" as discretionary offsetting receipts in fiscal year 2024, shall be retained and used for necessary salaries and expenses in this account, and shall remain available until



expended: *Provided further,* That of the funds included in the first paragraph under this heading, the Chemical Risk Review and Reduction program project shall be allocated for this fiscal year, excluding the amount of any fees appropriated, not less than the amount of appropriations for that program project for fiscal year 2024.