

From: [Leticia Phillips](#)
To: [Lai, Ursula@ARB](mailto:Lai_Ursula@ARB)
Cc: [ARB LCFS Workshop](#)
Subject: UNICA's question regarding July 29th workshop
Date: Friday, August 12, 2016 5:06:39 PM

Dear Ursula,

UNICA once again appreciates the opportunity to comment on the July 29th presentation on the third party verification program CARB is considering to propose. As stated in our communications before, we have concerns that some aspects of the program may difficult/ impede low carbon Brazilian sugarcane ethanol to reach the Californian market, and we urge CARB to make sure whatever program is propose take into consideration its viability for producers outside the US borders.

Although we believe ARB's staff tried to answer some of stakeholders' concerns during the July 29th presentation, many points continue to be unclear, and in our view not much has changed with this second alternate proposal.

I would welcome the opportunity to discuss some of this points in detail with you at your earliest convenience, but for now I wanted to stress a few points in addition to the points I made on my email from June 16th.

As usual, UNICA is at CARB's disposal to respond and clarify any question staff may have regarding how the sugarcane industry work in Brazil, as we believe such understanding is crucial for the continuing development of the policies that govern the LCFS. Please feel free to reach out to me at any time, via phone at [202-506-5299](tel:202-506-5299) or via email.

Sincerely,
Leticia Phillips
Representative- North America
UNICA - Brazilian Sugarcane Industry Association

Questions/ Request for clarification:

1. UNICA and the Brazilian sugarcane ethanol industry welcome remarks from ARB staff in regards to consideration of flexibility in verification harmonization. As we have mentioned before, we believe that programs like the Bonsucro certification and the EPA's Renewable Fuel Standard's Quality Assurance Program can and should be used to address CARB's concerns with validation and verification of the LCFS. CARB should use the information from these programs already in place as a highway to validate and verify CI pathways and LCFS transactions. CARB should not try to reinvent the wheel and force obligated parties expend precious human and capital resources with a whole new program. If CARB moves forward with approval of such verification program, UNICA urges the agency to use Bonsucro's and QAP's audit information to satisfy some of the scope items CARB presented for this program. This way time and financial resources for both the mills and CARB would be optimized.
2. UNICA is still concern with the cost impact of such program on mills, and we urge ARB to make the cost assessment public at the earliest convenience.
3. We would also like to stress the importance of such verification visits to be scheduled, so personnel is prepared to receive ARB staff and/or verifiers' visits at a given day/time.
4. We would like clarification on the mandatory requirement for verification. As

mentioned before, in the case of Brazil, not all mills registered under the LCFS will necessarily export ethanol to California in a given year. In this case, would the mill still be subjected to such verification.

5. We would like to request staff to clarify slide 38 when it talks about the 5 percent error margin on material misstatement of certified carbon intensity and of fuel volume by fuel pathway. Since harvests vary from year to year we are not sure how the 5 percent rule applies, we would like to request clarification on this issue.
6. Finally, we are not sure if the concerns we expressed regarding the viability of a foreign citizen establishing a reporting account was taken into consideration at this time or if this is going to be address at the next workshop.