

Congress of the United States

Washington, DC 20515

April 5, 2024

The Honorable Lloyd J. Austin III
Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

The Honorable Robin Carnahan
Administrator
General Services Administration
1800 F Street, N.W.
Washington, D.C. 20405

The Honorable Bill Nelson
Administrator
NASA
300 E Street SW
Washington, D.C 20546

Dear Secretary Austin, Administrator Carnahan, and Administrator Nelson:

We write to express our strong support for your agencies' proposed *Federal Supplier Climate Risks and Resilience Rule*.¹ By requiring the largest federal contractors to disclose basic information about their climate-related risks and emissions, this rule will help the federal government protect taxpayer dollars, our national security, and government operations from the threats posed by climate change. We urge you to finalize this critical regulation as soon as possible.

The federal government spends roughly \$700 billion annually on procurement, making it the world's single largest buyer of goods and services.² With these vast supply chains, the government has an obligation to measure, manage, and reduce the risks associated with climate change. According to the Fourth National Climate Assessment, "continued warming that is projected to occur . . . is expected to cause substantial net damage to the U.S economy

¹ Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA), Federal Register Notice, "Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk," November 22, 2022, <https://www.federalregister.gov/d/2022-24569>; White House, "FACT SHEET: Biden-Harris Administration Proposes Plan to Protect Federal Supply Chain from Climate-Related Risks", November 10, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/11/10/fact-sheet-biden-harris-administration-proposes-plan-to-protect-federal-supply-chain-from-climate-related-risks/>.

² White House, "FACT SHEET: Biden-Harris Administration Proposes Plan to Protect Federal Supply Chain from Climate-Related Risks", November 10, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/11/10/fact-sheet-biden-harris-administration-proposes-plan-to-protect-federal-supply-chain-from-climate-related-risks/>; GAO, "A Snapshot of Government-Wide Contracting for FY2022," August 15, 2023. <https://www.gao.gov/blog/snapshot-government-wide-contracting-fy-2022>; U.S. Environmental Protection Agency (EPA), "Selling Greener Products and Services to the Federal Government," February 20, 2024, <https://www.epa.gov/greenerproducts/selling-greener-products-and-services-federal-government>.

throughout this century, especially in the absence of increased adaptation efforts.”³ Given the immediate and far-reaching effects of climate change, the federal government should use its unparalleled purchasing power to protect taxpayer investments and government operations, including by working with contractors that are taking proactive steps to reduce their carbon footprints and increase their resilience to climate-related disruptions.

The *Federal Supplier Climate Risks and Resilience Rule* would be a major step forward in those efforts. Under the rule, federal contractors with more than \$50 million in annual contracts would be required to disclose their Scope 1, 2, and 3 greenhouse gas emissions, their climate risk assessments, and their science-based emissions reduction targets.⁴ Contractors with annual contracts between \$7.5 million and \$50 million would be required to disclose their Scope 1 and 2 greenhouse gas inventories.⁵ As crafted, the proposed regulation is remarkably well tailored to its goals despite requiring disclosures only from the largest contractors. Though the rule would affect approximately 1.3% of federal contractors, these large contractors, many of which already voluntarily report these disclosures, account for roughly 85 percent of greenhouse gas emissions in the federal supply chain.⁶

We especially appreciate two elements of the proposed rule. First, we applaud the Administration for designing a disclosure regime that operates on the contractor level.⁷ By not requiring disclosures at a contract or facility level, the proposed rule would gather important information about contractors’ climate risks without revealing any military secrets or sensitive information.⁸ Second, we commend the Administration for requiring disclosures that comply with rigorous, science-based standards.⁹ However, rather than relying on third-party entities to develop those standards, we would encourage the federal government to develop its own science-based verification standards to hold contractors accountable for their disclosures.

³ U.S. Global Change Research Program, “Impacts, Risks, and Adaptation in the United States: Fourth National Climate Assessment, Volume II,” 2018, <https://nca2018.globalchange.gov/>.

⁴ Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA), Federal Register Notice, “Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk,” November 22, 2022, <https://www.federalregister.gov/d/2022-24569>.

⁵ *Id.*

⁶ *Id.*; Ceres, “Ceres Calls for Bold Action to Curb Federal Supplier Emissions,” press release, February 9, 2023, <https://www.ceres.org/news-center/press-releases/ceres-calls-bold-action-curb-federal-supplier-emissions>.

⁷ Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA), Federal Register Notice, “Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk,” November 22, 2022, <https://www.federalregister.gov/d/2022-24569/p10>.

⁸ E&E News, “Climate rule faces delays over allegations that it could leak intel to enemies,” Jean Chemnick, February 15, 2024, <https://www.eenews.net/articles/climate-rule-faces-delays-over-allegations-that-it-could-leak-intel-to-enemies/>.

⁹ Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA), Federal Register Notice, “Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk,” November 22, 2022, <https://www.federalregister.gov/d/2022-24569/p-10>.


The proposed rule enjoys widespread support among the public and key organizations. A review of the regulation’s comments conducted by the CERES Accelerator for Sustainable Capital Markets concluded that virtually all of the roughly 19,000 individuals who commented on the rule and a plurality of the organizations that commented on the rule supported your efforts.¹⁰ As the review explained:


Overall, the comments demonstrate a broad base of support for the Proposed Rule. Diverse members of the private sector, as well as NGOs and state governments, show how the Proposed Rule will help the federal government meet its need for information on ways to reduce climate-related financial risk, and capitalize on climate-related economic opportunities, in its supply chain. The key takeaway from our review of the entire comment file is that the FAR Council has a solid record on which to move forward.”¹¹

Your agencies’ work to establish strong climate reporting rules for federal contractors strengthens the reliability of our supply chains, reduces our climate risk, and better prepares the country for threats to economic and national security. We urge you to finalize this rule in the coming months and as rapidly as possible.

Thank you for your leadership and your attention to this important matter.

Sincerely,

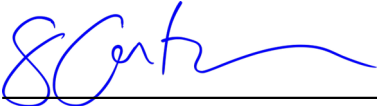

Elizabeth Warren
United States Senator


Veronica Escobar
Member of Congress

¹⁰ Letter from Ceres Accelerator for Sustainable Capital Markets to Federal Acquisition Regulatory Council, March 30, 2023, <https://www.ceres.org/sites/default/files/Ceres%20Analysis%20of%20Comments%20on%20Supplier%20Climate%20Risk%20%26%20Resilience%20Proposal.pdf>. Of the comments filed in each of the four categories—Private

Sector, NGOs, Government, and Individuals—18,900 out of 18,986 individuals expressed support for the FAR Council to move forward with the Proposed Rule.

¹¹ *Id.*



Sean Casten
Member of Congress



Sheldon Whitehouse
United States Senator



Peter Welch
United States Senator



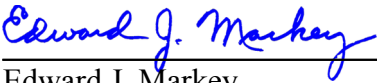
Jeffrey A. Merkley
United States Senator




Bernard Sanders
United States Senator



Tina Smith
United States Senator



Edward J. Markey
United States Senator



Jared Huffman
Member of Congress



Adriano Espaillat
Member of Congress



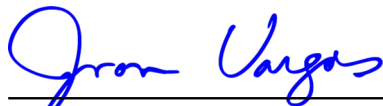
Alexandria Ocasio-Cortez
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Katie Porter
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Ro Khanna
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Juan Vargas
Member of Congress



Eleanor Holmes Norton
Member of Congress



Nanette Diaz Barragán
Member of Congress



André Carson
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Summer Lee
Member of Congress



Kevin Mullin
Member of Congress



Julia Brownley
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Jan Schakowsky
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Bill Foster

Bill Foster
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Kathy Castor

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CC: Christine J. Harada, Coordinator, Federal Acquisition Regulatory Council