

**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

September 6, 2023

The Honorable Brenda Mallory  
Chair  
Council on Environmental Quality  
730 Jackson Place NW  
Washington, D.C. 20006

Dear Chair Mallory:

To assist the House Committee on Natural Resources (the “Committee”) with ensuring efficient use of taxpayer dollars and developing sound environmental, energy, and natural resource policies, the Committee is conducting oversight regarding the process of selecting an international organization, the Science Based Target Initiative (“SBTi”), as the sole arbitrator of emission reduction targets for federal contractors. The Committee seeks information from the Council on Environmental Quality (“CEQ”) into the selection of SBTi and the outsourcing of government authority to SBTi.

On May 20, 2021, President Biden issued Executive Order (“E.O.”) 14030, *Climate-Related Financial Risk*, which, among other things, directs CEQ, with other agency heads, to consider amending the Federal Acquisition Regulations (“FAR”) and require major federal contractors to publicly disclose greenhouse gas emissions and climate-related financial risk and to “set science-based reduction targets.”<sup>1</sup> Further, E.O. 14030 grants CEQ the power to amend the FAR to give preference to bids and proposals from suppliers with a lower social cost of greenhouse gas emissions.<sup>2</sup>

CEQ was then involved in drafting the rule implementing E.O. 14030, *Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk* (the “FAR-GHG Rule”), which would require major federal contractors—those with contracts valued at over \$50 million—to disclose their greenhouse gas emissions and set emission reduction targets.<sup>3</sup> While that alone may be cause for disagreement, the Committee is deeply concerned that the FAR-GHG Rule also requires the federal contractors to use SBTi, an international non-governmental organization, to validate and approve the greenhouse gas emission levels.<sup>4</sup> Hence,

---

<sup>1</sup> EXEC. ORDER NO. 14030, 86 F.R. 27967 (May 20, 2021),  
<https://www.federalregister.gov/documents/2021/05/25/2021-11168/climate-related-financial-risk>.

<sup>2</sup> *Id.*

<sup>3</sup> *Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk*, 87 Fed. Reg. 68312 (proposed Nov. 14, 2022) (to be codified at 48 C.F.R pt. 1, 4, 9, 23, 52),  
<https://www.federalregister.gov/documents/2022/11/14/2022-24569/federal-acquisition-regulation-disclosure-of-greenhouse-gasemissions-and-climate-related-financial>.

<sup>4</sup> *Id.*

the FAR-GHG Rule outsources government compliance responsibilities and mandates contractors to report sensitive national security information to an outside foreign entity.

Alarming, SBTi has received strident criticism for a lack of transparency,<sup>5</sup> potential conflicts of interest for providing more favorable approval scores to companies who donate to SBTi,<sup>6</sup> and concerns regarding SBTi's scientific methodology.<sup>7</sup>

The Committee attempted to learn more information about these concerns and the selection process for SBTi on June 22, 2023, when the full Committee held a hearing regarding CEQ and its budget.<sup>8</sup> Testifying in your capacity as Chair of CEQ, the Committee was disappointed in your repeated refusals to answer questions regarding SBTi.<sup>9</sup> Specifically, you refused to answer why the Biden administration chose an international organization as the sole arbitrator of emission reduction targets for federal contractors; refused to answer whether there was a competitive bidding process in selecting SBTi; refused to answer how the Biden administration plans to ensure SBTi will not be influenced by foreign governments or organizations; refused to answer why the Biden administration did not select a U.S. based organization; refused to answer concerns over the accuracy of SBTi's emissions assessments; and refused to answer whether you were aware that one of SBTi's founders accused SBTi of having conflicts of interest and putting its own interests over the interests of the public.<sup>10</sup> You did testify that you did not know whether other agencies or organizations were considered before awarding SBTi the role of sole arbitrator of emission reduction targets for federal contractors,<sup>11</sup> which, in itself, is an issue for alarm.

Since your reticence on SBTi at the Committee's June 22 hearing, recent reports have raised additional concerns with SBTi's transparency and the Biden administration's process for choosing SBTi. While SBTi launched nearly eight years ago, it did not register with foreign authorities until June 26, 2023, fueling speculation over its origins and operations.<sup>12</sup> Additionally, there are reports that, before its incorporation, SBTi was at least partially funded and managed by

---

<sup>5</sup> Mitchell Beer, *Corporate Giants Accused of Exaggerating Climate Plans*, THE ENERGY MIX (Feb. 9, 2022), <https://www.theenergymix.com/2022/02/09/corporate-giants-accused-of-exaggerating-climate-plans/>.

<sup>6</sup> Joe Lo, *Science Based Targets initiative accused of providing a 'platform for greenwashing'*, CLIMATE HOME NEWS (Jun. 6, 2022), <https://www.climatechangenews.com/2022/02/06/science-based-targets-initiative-accused-providing-platform-greenwashing/#:%7E:text=The%20Science%2DBased%20Targets%20initiative.or%20C%20of%20global%20warming.>

<sup>7</sup> Bill Baue, *Formal Complaint: Science Based Targets Conflicts of Interest*, MEDIUM (Feb. 15, 2021), [https://bbaue.medium.com/formal-complaint-science-based-targets-conflicts-of-interest-f8199407ac10#\\_ftnref3](https://bbaue.medium.com/formal-complaint-science-based-targets-conflicts-of-interest-f8199407ac10#_ftnref3).

<sup>8</sup> *Examining the Council on Environmental Quality Fiscal Year 2024 Budget Request and Related Policy Matters Before the H. Comm. on Natural Resources*, 118<sup>th</sup> Cong. (2023) (statements of Brenda Mallory, Chair, Council on Environmental Quality), <https://naturalresources.house.gov/calendar/eventsingle.aspx?EventID=413469>.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> Alana Goodman, *Biden Proposal Would Give Foreign Climate Group Veto Power Over U.S. Military Contracts*, THE WASHINGTON FREE BEACON (July 13, 2023), <https://freebeacon.com/biden-administration/biden-proposal-would-give-foreign-climate-group-veto-power-over-u-s-military-contracts/>.

New Venture Fund,<sup>13</sup> “one of the largest left-leaning dark money groups in the United States.”<sup>14</sup> The New York Times reported that, in 2020, the New Venture Fund and related entities spent \$1.2 billion in support of then-candidate Joe Biden and other Democratic politicians.<sup>15</sup>

The Committee is deeply concerned that outsourcing compliance authority to SBTi prevents the federal government from ensuring sound scientific practices are applied to the management of federal contractors. Additionally, the Committee is also deeply concerned that SBTi’s transparency and susceptibility to foreign influence will damage our national, economic, and energy security. Moreover, the Committee is concerned that the Biden administration potentially chose SBTi to curry favor with entities that have provided significant electoral support to President Biden and other Democratic politicians—a troubling sign of potential favoritism and abuse of the federal solicitation process.

In order to assist the Committee with efficient use of taxpayer dollars and developing sound environmental, energy, and natural resource policies, please provide the following documents and information—covering the timeframe of January 20, 2021, to the present—by September 27, 2023:

1. All documents and communications regarding SBTi, including, but not limited to, all documents and communications regarding the selection of SBTi as the entity responsible for ensuring federal contractor compliance with the FAR-GHG Rule.
2. Describe the process used in selecting SBTi as the sole source provider of emission target validation.
3. A complete copy of any agreements or contracts awarded to SBTi.
4. All documents and communications regarding any agreements or contracts awarded to SBTi.
5. A list of all individuals and nonprofit organizations involved in the selection of SBTi as the entity responsible for ensuring federal contractor compliance with the FAR-GHG Rule.
6. Why didn’t CEQ select a government agency to ensure federal contractor compliance with the FAR-GHG Rule?
7. Why didn’t CEQ select a U.S. based nonprofit to ensure federal contractor compliance with the FAR-GHG Rule?

---

<sup>13</sup> *Id.*

<sup>14</sup> Rachel Bade et al., *Playbook: Inside Biden’s campaign kick-start*, POLITICO (June 17, 2023),

<https://www.politico.com/newsletters/playbook/2023/06/17/inside-bidens-campaign-kick-start-00102524>.

<sup>15</sup> Kenneth P. Vogel & Shane Goldmacher, *Democrats Decried Dark Money. Then They Won With It in 2020*, N.Y. TIMES (Jan. 29, 2022, updated Aug. 21, 2022), <https://www.nytimes.com/2022/01/29/us/politics/democrats-dark-money-donors.html>.

8. Why did CEQ select SBTi as the sole source provider of ensuring federal contractor compliance with the FAR-GHG Rule?
9. What other government agencies and/or non-profits were considered to ensure federal contractor compliance with the FAR-GHG Rule?
10. All documents related to compliance and oversight plans related to federal contracting compliance with SBTi, including draft agreements and plans.
11. If the FAR-GHG Rule is adopted, who will conduct oversight of SBTi to ensure they are producing accurate scientific estimates?
12. If the FAR-GHG Rule is adopted, who will conduct oversight of SBTi to ensure that they do not allow donations from foreign entities and/or private actors to influence SBTi's decision making?
13. Since SBTi is not U.S. based, how will you ensure that SBTi is not acting on behalf of a foreign entity and/or private actor?

An attachment to this letter provides additional instructions for responding to the requests from the Committee on Natural Resources. Please contact the Majority staff for the Oversight and Investigations Subcommittee at (202) 225-2761 or [HNRR.Oversight@mail.house.gov](mailto:HNRR.Oversight@mail.house.gov) with any questions. Under House Rule X, the Committee on Natural Resources has "general oversight" of any matter relating to its jurisdiction, including environmental, energy, and natural resource policies. Thank you for your cooperation.

Sincerely,



Bruce Westerman  
Chairman  
Committee on Natural Resources



Paul A. Gosar, D.D.S.  
Chairman  
Subcommittee on Oversight and Investigations

Enclosure