

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

July 29, 2024

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

The Honorable Brenda Mallory  
Chair  
Council on Environmental Quality  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

Bill Nelson  
Administrator  
National Aeronautics and Space  
Administration  
300 E St. SW Suite 5R30  
Washington, DC 20546

Robin Carnahan  
Administrator  
U.S. General Services Administration  
1800 F St NW,  
Washington, DC 20006

Mathew C. Blum  
Chair  
Federal Acquisition Regulatory Council  
Office of Management and Budget  
725 17th St., NW  
Washington, DC 20503

Dear Secretary Austin, Chair Mallory, Administrator Nelson, Administrator Carnahan, and Chair Blum:

The House Committee on Natural Resources (Committee) urges the immediate withdrawal of the *Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk* proposed rule published in the Federal Register on November 14, 2022 (Proposed Rule).<sup>1</sup> The Committee has previously raised serious concerns regarding the Proposed Rule and forced inclusion of dubious third-party standards and systems—especially those of Science Based Target Initiative (SBTi).<sup>2</sup> Materials in the Committee’s possession affirm

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<sup>1</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 pts. 1, 4, 9, 23, 52), <https://www.federalregister.gov/documents/2022/11/14/2022-24569/federal-acquisition-regulation-disclosure-of-greenhouse-gas-emissions-and-climate-related-financial>.

<sup>2</sup> See Letter from Rep. Bruce Westerman, Chairman, H. Comm. on Natural Resources, and Rep. Paul A. Gosar, Chairman, Subcomm. on Oversight and Investigations, H. Comm. on Natural Resources, to Brenda Mallory, Chair, Council on Environmental Quality (Sept. 6, 2023), [https://naturalresources.house.gov/uploadedfiles/2023.09.06\\_hnr\\_letter\\_to\\_ceq\\_on\\_sbti.pdf](https://naturalresources.house.gov/uploadedfiles/2023.09.06_hnr_letter_to_ceq_on_sbti.pdf); Letter from Rep. Bruce Westerman, Chairman, H. Comm. on Natural Resources, and Rep. Paul A. Gosar, Chairman, Subcomm. on

that finalizing the Proposed Rule would be calamitous. The Committee firmly requests that the Department of Defense (DOD), General Services Administration (GSA), and the National Aeronautics and Space Administration (NASA) withdraw the Proposed Rule, close Federal Acquisition Regulation (FAR) case 2021-015, and cease any progress towards a final rule.

As you are aware, the public comment period for the Proposed Rule closed on February 13, 2023.<sup>3</sup> On February 24, 2023, the Defense Acquisition Regulations Council (DARC) director instructed the Environmental and Contract Management Team to review the received public comments and draft a final rule.<sup>4</sup> As of the latest FAR Open Cases Report—published on July 26, 2024—the Proposed Rule FAR Case 2021-015 status indicates that the final rule report’s due date has been postponed to September 25, 2024, from April 19, 2023.<sup>5</sup> This significant delay is unsurprising. Not only do comments submitted on the Proposed Rule reveal significant opposition, but commenters—including those agreeing with the Proposed Rule’s underlying environmental ideology—have also highlighted numerous flaws.

The Proposed Rule appoints a single entity—an international nonprofit called Science Based Targets Initiative (SBTi)—as judge, jury, and executioner. It grants SBTi the power to validate all “science-based targets,” which are targets “for reducing GHG emissions that [are] in line with reductions that the latest climate science deems necessary to meet the goals of the Paris Agreement to limit global warming.”<sup>6</sup> The Proposed Rule requires that every major contractor<sup>7</sup> develops science-based targets and submits them to SBTi for validation and widespread publication.<sup>8</sup> Not only must the contractors pay thousands of dollars in fees for SBTi validation, but the Proposed Rule itself estimates that each contractor’s annual costs associated with science-based target implementation will be hundreds of thousands of dollars.<sup>9</sup> These costs will undoubtedly burden all contractors forced to comply with these greenhouse gas reduction targets, but they will serve as an especially oversized yoke on small businesses that seek to provide goods and services to the federal government.

Additionally, the Proposed Rule’s apparent lack of a competitive process raises substantial concerns. SBTi officials met with the White House before the organization’s apparent selection as the sole arbiter of emission target validation.<sup>10</sup> This meeting and the Council on

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Oversight and Investigations, H. Comm. on Natural Resources, to Brenda Mallory, Chair, Council on Environmental Quality (Oct. 17, 2023), [https://naturalresources.house.gov/uploadedfiles/hnr\\_follow\\_up\\_to\\_ceq\\_on\\_sbti.pdf](https://naturalresources.house.gov/uploadedfiles/hnr_follow_up_to_ceq_on_sbti.pdf).

<sup>3</sup> The original comment period was set to end on January 13, 2023, but the comment period was extended by one month. See Federal Acquisition Regulation, *supra* note 1; see also *Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk (FAR Case 2021-015)*, REGULATIONS.GOV, <https://www.regulations.gov/docket/FAR-2021-0015>.

<sup>4</sup> *Open FAR Cases*, DEFENSE ACQUISITION REGULATIONS SYSTEM (July 26, 2024), <https://www.acq.osd.mil/dpap/dars/opencases/farcasenum/far.pdf>.

<sup>5</sup> See *Id.* The report’s due date has been postponed multiple times.

<sup>6</sup> See Federal Acquisition Regulation, *supra* note 1.

<sup>7</sup> The Proposed Rule defines a major contractor as any contractor that received more than \$50 million in Federal contract obligations in the prior Federal fiscal year. The Proposed Rule itself estimates that 29% of all major contractors are small businesses.

<sup>8</sup> See Federal Acquisition Regulation, *supra* note 1.

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

<sup>10</sup> Letter from Rep. Frank D. Lucas, Chairman, H. Comm. on Science, Space, and Technology et al., to Luiz Amaral,

Environmental Quality (CEQ)'s refusal to answer questions about SBTi's selection suggests that a competitive bidding process was sidestepped. Worse yet, SBTi's selection raises concerns about conflict of interest. Betty Cremmins serves as the Director for Sustainable Supply Chains at CEQ. Previously, Ms. Cremmins served as the Director of CDP's West Coast office. CDP, an organization formerly known as the Carbon Disclosure Project, is one of SBTi's "founding partners."<sup>11</sup> Accordingly, Ms. Cremmins' involvement in SBTi's selection is questionable at best. On November 7, 2022—one week before the Proposed Rule was published on the Federal Register, Ms. Cremmins emailed CDP requesting contact information for SBTi's communications department to "give them a heads up about news coming later this week."<sup>12</sup> Ms. Cremmins' email concluded with a winking face emoji, further highlighting her intimate relationship with CDP officials and indicating that SBTi's selection was preordained.

SBTi's international nature raises further concerns. SBTi's website states that the organization is "a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050."<sup>13</sup> Because SBTi is a foreign- organization, headquartered in England and Wales, judicial recourse for U.S. companies saddled with an unfair validation process is limited. Clarity related to how SBTi will be held accountable by the FAR Council, DOD, GSA, NASA, or CEQ is also severely lacking in the Proposed Rule.

Accordingly, the Committee firmly requests that DOD, GSA, and NASA withdraw the Proposed Rule, close FAR case 2021-015, and cease any progress towards a final rule.

Sincerely,



Bruce Westerman  
Chairman  
Committee on Natural Resources



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



Mike Collins  
Member of Congress



John Curtis  
Member of Congress

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Chief Executive Officer, Science Based Targets Initiative (July 12, 2023), <https://republicans-science.house.gov/cache/files/1/b/1b998f8d-5543-4f86-b5cf-1bc81c95e668/8101142B8EAFE7E018000FAE441F9656.2023-07-12-fl-to-sbti-emission-reduction-targets-.pdf>.

<sup>11</sup> See *Setting science-based emission reduction targets through the Science Based Targets initiative (SBTi)*, CDP, <https://www.cdp.net/en/campaigns/science-based-targets>. SBTi is collaboration of CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

<sup>12</sup> Produced document on file with the Committee.

<sup>13</sup> *Head of Standards*, SCIENCE BASED TARGETS, <https://sciencebasedtargets.org/resources/files/Head-of-Standards.pdf>.



John Duarte  
Member of Congress



Harriet M. Hageman  
Member of Congress



James Moylan  
Member of Congress



Russ Fulcher  
Member of Congress



Doug Lamborn  
Member of Congress