



U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON  
**SCIENCE, SPACE, & TECHNOLOGY**

Opening Statement

**Ranking Member Valerie Foushee (D-NC)**  
**Subcommittee on Investigations and Oversight**

*“A Bar Too High: Concerns with CEQ’s Proposed Regulatory Hurdle for  
Federal Contracting”*

September 20, 2023

Thank you, Chairman Obernolte. And thank you to our witnesses for joining us here today to discuss this proposed rulemaking. As we on the Science Committee know, science-based information is crucial in Federal decision making. The Federal government has the responsibility of ensuring that taxpayer money is properly stewarded and improves the lives of all Americans and the functioning of our government. Procurement policy is a significant part of this responsibility. The Federal government outlays enormous sums to contractors. Therefore, agencies should gather as much information as possible before selecting companies to receive massive contracts.

When it comes to ensuring science-based decision-making in this space, I can think of no more important issue than combatting climate change. The proposed rule we’re here to discuss has not yet been finalized. The Administration is working through public comments, and today, we have an opportunity for a productive conversation about how to ensure this rule can best achieve its important goals.

In its current form, this rule would offer an unprecedented level of transparency into the greenhouse gas emissions and mitigation strategies of Federal contractors, who the government entrusts with hundreds of billions of taxpayer dollars. In the private sector, it is well accepted that a company’s exposure to climate risk – and its contribution to climate change – has a direct impact on its bottom line. Shareholders demand to know that they’re investing in companies who understand this reality and are working to reduce these risks.

Financial institutions increasingly consider their susceptibility to climate-related disasters when making business decisions. Agencies, and the Americans who fund them, deserve that same level of transparency and forethought. I applaud the Biden Administration for taking this step to modernize the Federal procurement process. This rulemaking, if finalized, would give agencies the opportunity to make contracting decisions that incorporate an understanding of vulnerability to climate-related risk.

This would be a large improvement across the government, but it is especially critical when it comes to ensuring our defense preparedness. Our national security depends on a clear-eyed

assessment of the risks posed to our country. The Department of Defense has committed to incorporating climate risk into its strategies. If finalized, this rule will give them crucial information to deliver on that promise. I won't exaggerate the impact of this rule. The FAR Council has chosen to limit its reach to a small subset of contractors.

The full suite of requirements would apply only to companies with over \$50 million in contract obligations. Just 1.2 percent of prospective contractors would have any additional reporting requirements at all. For small businesses and certain nonprofit entities, exemptions are provided to help alleviate the burden of compliance, and agencies can provide waivers for mission-essential purposes.

Despite this relatively limited scope, it truly is a significant step forward in promoting contractor transparency for their greenhouse gas emissions. I believe this is also an excellent springboard for further action. I look forward to hearing from our panel about how this rulemaking can be improved before finalization and how we can further bolster our Federal infrastructure against the risk of catastrophic climate change.

Thank you, Chairman Obernolte, I yield back.