



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

Opening Statement

Ranking Member Zoe Lofgren (D-CA)

Investigations and Oversight Subcommittee Hearing:
*A Bar Too High: Concerns with CEQ's Proposed Regulatory Hurdle for
Federal Contracting*

September 20, 2023

The climate crisis is one of the most profound challenges facing humanity. We are witnessing the devastating consequences of climate change every day, in ways large and small, and we are only beginning to grasp the enormity of the impact that it will have on our society. If we want to avoid the worst-case scenarios that loom ahead of us, we have no choice but to deploy every tool in our arsenal to reduce greenhouse gas emissions as much as we can, as fast as we can. And as the world's largest economy, the United States has a unique responsibility – and opportunity – to lead this effort.

Under the Biden Administration, the U.S. government has been leading by example in the fight against climate change. President Biden has overseen an unprecedented mobilization of federal resources to reduce the federal government's own emissions and strengthen the federal government's climate resilience. That effort has been wide-ranging - spanning from federal risk planning and infrastructure vulnerabilities to federal supply chains and emission sources. I wholeheartedly support the administration's emphasis on this issue, which is long overdue.

Federal procurement is another critical way in which the federal government can use its authority and influence to be a force for good in the climate fight. The federal government is an enormous purchaser of goods and services – indeed, the largest single purchaser in the world. In 2021 alone, federal procurement stood at \$630 billion. Federal procurement decisions can alter economic incentives across entire sectors and send unmistakable market signals that the private sector is hard-pressed to ignore. But until now, the federal government has overlooked the greenhouse gas emissions of its contracting sector and failed to consider how its contractors can work towards reducing those emissions. This neglect increases the potential costs of climate change across the federal supply chain and exposes taxpayers to unnecessary risks.

The rulemaking at the center of today's hearing, Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk, is a first step to address greenhouse gas emissions from the federal procurement sector. Simply put, the rule seeks to shed light on the emissions of the largest federal contractors and prod them to set science-based targets for reducing those emissions.

I applaud the goals of this rulemaking. It operates by the simple principle that more information leads to better decisions and more effective oversight of taxpayer dollars. More data is always better. Greater transparency is always better. And the federal government, as the customer for its own goods and services, has the right to demand more of its contractors in order to properly safeguard public resources.

There have been criticisms of the proposed rule, and I'm sure we'll hear more about those at today's hearing. I want to note that this proposed rule has not been finalized. The public comment period has closed, and I have no doubt that the administration will seriously consider all such comments to improve the rule before finalization.

The existential threat posed by climate change demands that we do everything within our power to confront it. Federal procurement is no exception. The federal contracting sector must be prepared to step up, disclose its greenhouse gas emissions in a transparent fashion, and start to think about how to reduce those emissions in line with America's broader emission reduction goals. This rulemaking is a step in the right direction, and I hope that today's hearing allows for a productive conversation about how best to improve the transparency of federal procurement emissions.

I yield back.