WRITTEN TESTIMONY OF
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BEFORE THE
JOINT SUBCOMMITTEES ON
INVESTIGATION AND OVERSIGHT
AND ENVIRONMENT
COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY
U.S. HOUSE OF REPRESENTATIVES

November 27, 2023

Thank you, Chairman Obernolte, Chairman Miller, Ranking Member Foushee, Ranking Member Ross, and the honorable members of the Committee for the opportunity to testify today on the *Federal Sustainability Plan* and the *Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk Proposed Rule*. My name is Andrew Mayock, and I serve as Federal Chief Sustainability Officer for the United States Government.

The Office of the Federal Chief Sustainability Officer was first created through Executive Order (E.O.) 12873, *Federal Acquisition, Recycling, and Waste Prevention*, in 1993 as the Office of the Federal Environmental Executive. The Office of the Federal Chief Sustainability Officer is housed within the Council on Environmental Quality and leads sustainability across all Federal and military operations, working to ensure that we are leading by example across all of the ways that we buy, build, and operate the government.

President Biden is committed to helping our country meet the challenge of the climate crisis in a way that grows good jobs and industries and makes us more economically competitive. In order to accomplish these goals, President Biden has directed the Federal Government to transform how we build, buy, and manage to help make our economy cleaner, more efficient, and more sustainable. On May 20, 2021, President Biden signed E.O. 14030, *Climate-Related Financial Risk*, which directs Federal agencies to take action to reduce the risk of climate change to the Federal budget and to help the American people better understand how climate change can impact their financial security. These actions have strengthened the United States financial system and will inform concrete decisions that the Federal Government can take to mitigate the risks of climate change.

On December 8, 2021, President Biden signed E.O. 14057, *Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability*. E.O. 14057 and the accompanying Federal Sustainability Plan (collectively referred to as "the Federal Sustainability Plan") outline an ambitious path to achieve:

> (1) 100 percent carbon pollution-free electricity on a net annual basis by 2030, including 50 percent 24/7 carbon pollution-free electricity;

(2) 100 percent zero-emission vehicle acquisitions by 2035, including 100 percent zero-emission light-duty vehicle acquisitions by 2027;

(3) a net-zero emissions building portfolio by 2045, including a 50 percent emissions reduction by 2032;

(4) a 65 percent reduction in scope 1 and 2 greenhouse gas emissions,[1] as defined by the Federal Greenhouse Gas Accounting and Reporting Guidance, from Federal operations by 2030 from 2008 levels;

(5) net-zero emissions from Federal procurement, including a Buy Clean policy to promote use of construction materials with lower embodied emissions;

(6) climate resilient infrastructure and operations; and

(7) a climate- and sustainability-focused Federal workforce.

The Federal Sustainability Plan also calls for major Federal contractors to publicly report their annual corporate-level greenhouse gas (GHG) emissions and set targets to reduce them, and to disclose climate risks and vulnerabilities that may affect their future economic stability or their ability to deliver goods and services that are critical to Federal agency missions. These steps will improve Federal supply chains' resilience to increasing climate risks, strengthen the competitive position of American companies, and help to reduce contract costs through increased efficiency.

On November 14, 2022, the agency members of the Federal Acquisition Regulation (FAR) Council[2] proposed the *Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk Proposed Rule* to address greenhouse gas emissions and protect the Federal Government's supply chains from climate-related financial risks. The proposed rule would amend the FAR to require major Federal contractors to publicly disclose their GHG emissions and climate-related financial risks and set science-based emissions reduction targets.

As the world's single largest buyer of goods and services—purchasing over $630 billion in Fiscal Year 2022 alone—the Federal Government faces significant financial risks from climate change. Supply chain disruptions over the past three years have impacted every sector, including the Federal Government and its critical contractors and subcontractors. The *Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk Proposed Rule* would strengthen the resilience of vulnerable Federal supply chains, resulting in greater efficiencies and reduced climate risk.

The proposed rule, if finalized, would apply to contractors that are responsible for approximately 85 percent of the emissions associated with the Federal supply chain, which are estimated to be

[1] Scope 1 emissions include GHG emissions from sources that are owned or controlled by the reporting company. Scope 2 emissions include GHG emissions associated with the generation of electricity, heating and cooling, or steam, when these are purchased or acquired for the reporting company's own consumption but occur at sources owned or controlled by another entity.
[2] The FAR Council agencies are the Department of Defense (DOD), the General Services Administration (GSA), and the National Aeronautics and Space Administration (NASA).

more than twice as large as the emissions from operating the Federal Government's 300,000 buildings and 600,000 vehicles combined. The proposed rule is part of the President's vision of implementing the first comprehensive, government-wide strategy to measure, disclose, manage, and mitigate the systemic risks that climate change poses to American families, businesses, and the economy.

The proposed rule, if finalized, would focus on major Federal suppliers. Under the proposed rule, the largest suppliers, including Federal contractors receiving more than $50 million in annual contracts (other than small businesses), would be required to publicly disclose emissions in Scope 1, Scope 2, and relevant categories of Scope 3[3]; disclose climate-related financial risks; and set science-based emissions reduction targets. Federal contractors with more than $7.5 million in annual contracts would be required to report Scope 1 and Scope 2 emissions. All Federal contractors with less than $7.5 million in annual contracts would be exempt under the proposed rule.

The proposed rule, if finalized, would leverage widely adopted third-party standards and systems that many Federal contractors already use when disclosing their emissions and setting emissions reduction targets, including the CDP (formerly Carbon Disclosure Project) environmental reporting system, the Task Force on Climate related Financial Disclosure (TCFD) Recommendations, and the Science Based Targets Initiative (SBTi) criteria. As such, this proposed rule is in alignment with the National Technology Transfer and Advancement Act of 1995 and OMB Circular A-119, which directs Federal agencies to use non-governmental private sector standards to meet policy and procurement objectives.

As of 2022, more than half of major Federal contractors were already disclosing climate-related information. [4] In 2022, these Federal contractors were among the 18,700 companies globally—worth more than half of global market capitalization—that voluntarily disclosed emissions and climate risk through CDP, including 1,800 small and medium-sized enterprises. Large numbers of U.S. companies already use the CDP, TCFD, and SBTi standards because other entities, such as non-Federal customers and investors, demand them. For example, Pfizer, Ford, AT&T, Johnson & Johnson, and Honeywell use these standards for their climate disclosures and target setting. The proposed rule would reinforce this trend towards industry-wide standardization by aligning the requirements of Federal procurement policy with those of capital markets, investors, and other key stakeholders, such as ratings and rankings organizations.

When the FAR Council agencies published the proposed rule, they specifically invited public comment on the use of the specified third-party standards, including potential alternatives for the FAR Council agencies to consider in developing a final rule, among other subjects. The comment period for the proposed rule closed on February 13, 2023, and the FAR Council agencies are now reviewing and analyzing the comments they received as they consider a final rule.

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[3] Scope 3 emissions are emissions that are a consequence of the operations of the reporting entity but occur at sources other than those owned or controlled by the entity.

[4] FACT SHEET: Biden-Harris Administration Proposes Plan to Protect Federal Supply Chain from Climate-Related Risks | The White House

The Office of the Federal Chief Sustainability Officer is hard at work ensuring that we are leading by example and mitigating the risks of climate change that will adversely impact the way the government buys, builds, and operates. The Administration looks forward to engaging collaboratively with the Committee as the Biden-Harris Administration continues to work to meet the challenge of the climate crisis, grow good jobs and industries, and make America more economically competitive.

Andrew Mayock

On February 9, 2021, President Biden appointed Andrew Mayock to serve as the Federal Chief Sustainability Officer. As the Federal Chief Sustainability Officer, Andrew Mayock leads President Biden's efforts to improve the sustainability of the Federal government, including by helping Federal agencies prepare for and respond to the impacts of climate change on their operations and services.

Andrew brings over 25 years of public and private sector experience to the Biden Administration, including service in the Obama and Clinton Administrations. In the Obama Administration, Andrew served as Deputy Director for Management and Associate Director for General Government Programs at the Office of Management and Budget (OMB). At OMB, he led OMB's management offices and the President's Management Council with a focus on digital services, cybersecurity, acquisitions, financial management, personnel and performance management. As Associate Director for General Government Programs, he oversaw policy and budget for six cabinet agencies comprising $225 billion of the President's budget and covering over one million federal employees.

Prior to his OMB roles, Andrew served as the Deputy Vice President for Compact Operations for East and Southern Africa at the Millennium Challenge Corporation. He served as Executive Secretary at the U.S. Treasury Department from 2009-2010.

In the Clinton Administration from 1995-2000, Andrew worked at the White House and the U.S. Treasury Department. Andrew was a consultant at Booz Allen Hamilton from 2003-2009 and McKinsey & Company from 2017-2020, where he focused on public sector programs.

During 2019–2020, Andrew served on the steering committee of the Climate 21 Project, which delivered advice for a coordinated, rapid-start, whole-of-government climate response.

Andrew received a bachelor's degree from the University of Illinois, law degree from The George Washington University Law School, and a master in public administration from the Kennedy School of Government at Harvard University.