



E3G

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Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

The Honorable Bill Nelson
Administrator
NASA
300 Hidden Figures Way SW
Washington, D.C 20546

The Honorable Robin Carnahan
Administrator
General Services Administration
1800 F Street, N.W.
Washington, D.C. 20405 The Honorable
Lloyd J. Austin III

April 5, 2024

Dear Secretary Austin, Administrator Carnahan, and Administrator Nelson:

We write to express continued support for proposed *Federal Supplier Climate Risks and Resilience Rule*.¹ By requiring the largest federal contractors to disclose basic information about their climate-related risks and emissions, this rule will help the U.S. government better protect taxpayer dollars and supply chain resiliency. See our letter dated February 13, 2023. We urge you to finalize this critical regulation as soon as possible. We commend the Administration for requiring disclosures that comply with rigorous, science-based standards.

The business case is strong, as reflected by the fact that almost all **OECD** countries have programs that account for environmental factors into their procurement policies. The **Coalition of Finance Ministers for Climate Action**, with over 80 different members, including the U.S. Treasury Department, has committed to using national budgets and public financial management to drive transformation towards Paris aligned goals in all sectors of the economy. In addition, E3G supports comparable initiatives by EU authorities, as noted in the recently published report, **Investing in Europe's Prosperity**, co-authored with the World Wildlife Fund and Share Action.

Given the immediate and far-reaching effects of climate change, the U.S. federal government should use its unparalleled purchasing power to protect taxpayer investments and government operations, including by working with contractors that are taking proactive steps to

¹ Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA), Federal Register Notice, "Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk," November 22, 2022, <https://www.federalregister.gov/d/2022-24569>.



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reduce their carbon footprints and increase their resilience to climate-related disruptions. Moreover, such an approach includes: financial savings for public authorities; increased resiliency; and incentivizing innovation.

We understand that the proposed rule enjoys widespread support among the public and key organizations, based on an analysis performed by the CERES Accelerator for Sustainable Capital Markets: all of the roughly 19,000 individuals who commented on the rule and a plurality of the organizations that commented on the rule supported these efforts.² As CERES' review explained:

“Overall, the comments demonstrate a broad base of support for the Proposed Rule. Diverse members of the private sector, as well as NGOs and state governments, show how the Proposed Rule will help the federal government meet its need for information on ways to reduce climate-related financial risk, and capitalize on climate-related economic opportunities, in its supply chain. The key takeaway from our review of the entire comment file is that the FAR Council has a solid record on which to move forward.”³

Your work to establish strong climate reporting rules for U.S. federal contractors strengthens the reliability of U.S. supply chains and reduces climate risk and is consistent with approaches being taken worldwide. We urge you to finalize this rule in as rapidly as possible.

Thank you for your leadership and your attention to this important matter.

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CC: Christine J. Harada, Coordinator, Federal Acquisition Regulatory Council

² Letter from Ceres Accelerator for Sustainable Capital Markets to Federal Acquisition Regulatory Council, March 30, 2023, <https://www.ceres.org/sites/default/files/Ceres%20Analysis%20of%20Comments%20on%20Supplier%20Climate%20Risk%20%26%20Resilience%20Proposal.pdf>.

³ *Id.*