August 14, 2023

The Honorable Jack Reed

Chairman

The Senate Committee on Armed Services

Washington, DC 20510

The Honorable Roger Wicker

Ranking Member

The Senate Committee on Armed Services

Washington, DC 20510

The Honorable Mike Rogers

Chairman

The House Committee on Armed Services

Washington, DC 20515

The Honorable Adam Smith

Ranking Member

The House Committee on Armed Services

Washington, DC 20515

Organizational Letter to Conferees Urging the Removal of Greenhouse Gas Emissions Reporting and Reduction Measures in the FY24 NDAA

Dear Chairmen Reed and Rogers and Ranking Members Smith and Wicker,

We represent a diverse array of climate justice, peace, faith-based, and government watchdog organizations. As the House of Representatives and the Senate undertake conference negotiations for the National Defense Authorization Act (NDAA) for Fiscal Year 2024, we urge you to ensure that this bill is not used to protect defense contractors from accounting for their role in driving climate change. Specifically, we ask that the final text defend a draft federal emissions reporting rule by striking both Section 1822 of H.R.2670, titled "Limitation on funds relating to federal contractor disclosure of greenhouse gas emissions and climate-related financial risk," and Section 820 of S.2226, titled "Prohibition on requiring defense contractors to provide information relating to greenhouse gas emissions." We further ask that the final text strike Section 1050 of H.R.2670, "Prohibition on the use of funds to implement certain executive orders," which seeks to roll back a series of climate change mitigation executive orders.

As a devastating heat dome sits parked over much of the southern United States, smoke from unprecedented wildfires in Canada repeatedly descends on our communities, and agricultural heartlands in the U.S. and globally experience scorching droughts, we urge Congress to protect the reporting regulations meant to inform and strengthen future climate change mitigation efforts.

Section 1822 of H.R.2670 and Section 820 of S.2226 directly undermine a vital proposed federal rule, "Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk" (87 Fed. Reg. 68312), that would ensure that major and significant federal suppliers "disclose their greenhouse gas emissions and climate-related financial risk and set science-based targets to reduce their greenhouse gas emissions." Section 1822 of the House-passed bill seeks to prohibit its implementation, or the implementation of "any substantially similar rule," by preventing

authorized funds from supporting any greenhouse gas (GHG) inventorying, or the setting of science-based emissions reduction targets, from any Department of Defense (DOD) contractors.

While not doing away with the proposed rule entirely, Section 820 of S.2226 would severely constrain its effectiveness by banning DOD from requiring the reporting of GHG emissions from "nontraditional defense contractors," regardless of the scope or function of the contract they fulfill. The section also places a two-year moratorium on requiring emissions reporting from "other than nontraditional defense contractor(s)," attempting to run out the clock on federal enforcement of the rule, likely in the hopes that a different administration rolls it back completely.

Section 1050 of H.R.2670 is an even more sweeping, and entirely unworkable, provision to prohibit the DOD from fulfilling its role in implementing seven climate change mitigation executive orders. This prohibition would include EO 14057, which commits to significant cuts in emissions from federal operations – yet another effort to undermine the Biden administration's efforts to confront the climate crisis and shield DOD and its contractors from responsibility for their emissions.

These provisions are wholly out of step with administration policy. The White House has objected to Sections 1822 and 820 in separate statements of administration policy on the House and Senate bills. Both SAPs note that they would "prevent DoD from exercising due diligence in assessing risks to potential contract awardees, counter to the interests of U.S. taxpayers." The Senate-focused SAP further notes that "many non-traditional defense contractors are large entities; they cumulatively receive more than \$100 billion in revenues from Federal contracts in FY 2022," alluding to both the knowledge gaps in climate policy introduced by the Senate NDAA's contractor loophole, and the responsibility that those contractors, receiving tens of billions in U.S. taxpayer money, hold toward the U.S. public. Finally, the DOD itself supports efforts to have major contractors report on their GHG emissions and climate-related financial risk, stating in the recently released "Department of Defense Plan to Reduce Greenhouse Gas Emissions" that it "received feedback from several major prime contractors...to better understand implications of carbon disclosure requirements," and that it serves as a voting member of the FAR Council which published the proposed rule.

These measures not only disrupt administration efforts to track GHG emissions and understand climate-related financial risk to the U.S. government and its major contractors, but seek to undo future climate change mitigation efforts in the midst of what is very likely to be the hottest.year.yet.recorded. The biggest defense contractors emit more than the Pentagon, and the Pentagon alone is already responsible for 75% of all U.S. government emissions. According to published data and conservative supply chain estimates, the top twelve U.S. defense contractors and their suppliers emitted the equivalent of 57.2 million metric tons of carbon dioxide altogether in

2019.¹ Even though the DOD has <u>declared</u> that "climate change is a national security issue," the FY24 NDAA is on course to entirely disregard the tremendous responsibility that defense contractors bear in national and worldwide emissions. In a budget authorization that expands funding for the most polluting sector of our government yet again, this carve-out for defense contractors is a particularly egregious attempt to shirk even the possibility of future emissions reductions.

The U.S. military is the largest institutional consumer of oil in the world, and as such a major contributor to the warming of the planet – a contribution that Pentagon contractors augment through their own production practices and supply chains. The devastating impacts of this global warming include, but are not limited to, rising ocean temperatures, increasing wildfires, floods, and spreading droughts – all affecting human health, the burden on taxpayers, and the state of security of the United States. The climate crisis itself is a pressing national security issue, and GHG emissions that result from government activity must be a part of the solution – transparency is the first step.

We urge you to remove language in this year's NDAA that prohibits or undermines the submission of GHG emissions and climate-related financial risk reporting from Department of Defense contractors, and that prevents DOD from fulfilling executive orders to reduce emissions and mitigate climate change harm.

Sincerely,

Afghans For A Better Tomorrow
Alabama Interfaith Power & Light
Americans for Financial Reform
Center for International Policy
Climate Hawks Vote
Common Defense
Elders Climate Action
Foreign Policy for America
Franciscan Action Network
Just Foreign Policy
Lansing Area Peace Education Center
MADRE
Maryknoll Office for Global Concerns
Massachusetts Peace Action
National Priorities Project at the Institute for Policy Studies

¹ Supply chain estimate and scope 1 and 2 emissions data from top twelve U.S. defense contractors from Crawford, N. C. (2022). *The Pentagon, climate change, and war: Charting the rise and fall of U.S. military emissions.* The MIT Press.

Our Climate

Oxfam America

Peace Action

Physicians for Social Responsibility

Project on Government Oversight

Quincy Institute for Responsible Statecraft

Southern Oregon Climate Action Now

Sustaining Way

The People's Justice Council

Union of Concerned Scientists

United Church of Christ, Justice and Local Church Ministries

Win Without War