

CLIENT ALERT

Agencies Continue to Lay Groundwork for Consideration of Potential FAR Amendments Aimed at Climate Change Risks

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Earlier today the Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA) published an [Advance Notice of Proposed Rulemaking \(ANPRM\)](#) seeking public comment on proposed amendments to the Federal Acquisition Regulation (FAR). The Federal Acquisition Regulatory Council is considering amendments in furtherance of the directives set forth in E.O. 14030 Climate-Related Financial Risk, discussed [here](#), that would, if adopted, “require major Federal suppliers to publicly disclose greenhouse gas emissions and climate related financial risk and to set science based reduction targets.” This most recent step builds upon a [request for information \(RFI\)](#) published by DoD this summer, discussed [here](#), also soliciting public input on sustainability initiatives and climate-related disclosures.

Specifically, DoD, GSA, and NASA are seeking public input on the potential FAR amendment and requesting feedback on the following eight questions:

- How can greenhouse gas (GHG) emissions and the social cost of GHG best be qualitatively and quantitatively considered in federal procurement decisions, both domestic and overseas? How might this vary across sectors?
- What are usable and respected methodologies for measuring GHG emissions over the lifecycle of procured or leased products or services performed?
- How can procurement and program officials of major federal agency procurements better incorporate and mitigate climate-related financial risk? How else might the federal government consider and minimize climate-related financial risks through procurement decisions, both domestic and overseas?
- How would (or how does) your organization provide GHG emission data for proposals and/or contract performance?
- How might the federal government best standardize GHG emission reporting methods? How might the government verify GHG emissions reporting?
- How might the federal government give preference to bids and proposals from suppliers, both domestic and overseas, to achieve reductions in GHG emissions or reduce the social cost of GHG emissions most effectively?
- How might the government consider commitments by suppliers to reduce or mitigate GHG emissions?
- What impact would consideration of the social cost of GHG in procurement decisions have on small businesses, including small disadvantaged businesses, women-owned small businesses, service-disabled veteran-owned small businesses, and Historically Underutilized Business Zone (HUBZone) small businesses? How should the FAR Council best align this objective with efforts to ensure opportunity for small businesses?

The FAR Council’s initiative, as is evident from a White House [fact sheet](#) also released today, is part of a whole-of-government approach to building an economy that is more resilient to the impacts of climate change. The inquiries suggest that federal contractors may soon be among the first companies subject to mandatory climate-related disclosures. Federal contractors

should follow these developments closely, particularly as the federal government considers preferencing bids/proposals from suppliers that reduce GHG emissions or otherwise considers commitments by suppliers to reduce or mitigate GHG emissions.

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