

Congress of the United States

House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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February 14, 2024

The Honorable Brenda Mallory
Chair
Council on Environmental Quality
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Chair Mallory:

The House Science, Space, and Technology Committee (Committee) recently uncovered evidence that the Council on Environmental Quality (CEQ) inappropriately influenced the rulemaking process to steer quasi-regulatory authority to two environmental activist groups.¹ You recently denied these claims in both a press statement issued by your office and in testimony you provided during a House Energy and Commerce Committee hearing.² You also accused the Committee of using its constitutional oversight authority to “distract from the Administration’s historic work to build a climate-resilient clean energy future,”³ yet you provided no evidence to refute the Committee’s preliminary findings. This Committee is not interested in engaging you in political rhetoric; we’re interested in the facts. If you have evidence that suggests that the Committee’s preliminary findings were incorrect then we invite you to appear before the Committee as soon as possible to present such evidence.

On January 22, 2024, the Committee released preliminary findings of its nearly ten-month investigation into the selection of the Science Based Target Initiative (SBTi) by the Federal Acquisition regulatory Council (FAR Council) as the standard setter and validator of greenhouse gas emission reduction targets.⁴ The FAR Council, through the rulemaking process, seeks to

¹ Press Release, House Committee on Science, Space, and Technology Majority Preliminary Findings- SBTi Investigation Staff Memo (Jan. 22, 2024), <https://science.house.gov/press-releases?ID=B88A5C8F-2308-4BC1-B4B3-FA1E3714809C>.

² E&E News, House Republicans claim CEQ misconduct on climate rule (Jan. 23, 2024), <https://subscriber.politicopro.com/article/eenews/2024/01/23/house-republicans-claim-ceq-misconduct-on-climate-rule-00137109>; Energy, Climate, and Grid Security Subcommittee Hearing, Exposing President Biden’s Plan to Dismantle the Snake River Dams and the Negative Impacts to the United States (Jan. 30, 2024), <https://energycommerce.house.gov/events/energy-climate-and-grid-security-subcommittee-hearing-exposing-president-biden-s-plan-to-dismantle-the-snake-river-dams-and-the-negative-impacts-to-the-united-states>.

³ *Id.*

⁴ Press Release, House Committee on Science, Space, and Technology Majority Preliminary Findings- SBTi Investigation Staff Memo (Jan. 22, 2024), <https://science.house.gov/press-releases?ID=B88A5C8F-2308-4BC1-B4B3-FA1E3714809C>.

mandate that all major contractors set emission reduction targets and then have those targets validated by SBTi.⁵ This would grant quasi-regulatory authority to a foreign entity, headquartered in the United Kingdom, with zero U.S. nationals serving on its board.⁶ The FAR Council's proposal also calls for federal contractors to disclose their greenhouse gas emissions on the Carbon Disclosure Project's (CDP) public database.⁷ The Committee's investigation found strong evidence that CEQ played a central role in developing the proposed rule by encouraging the selection of CDP and SBTi, often working with CDP and SBTi behind the scenes to coordinate their message to the rest of the FAR Council.⁸

The Committee's investigation also found that conflicts of interest or the appearance of conflicts of interest existed at CEQ.⁹ At least one senior CEQ official who was spearheading the effort to ensure CDP and SBTi's selection had previously worked in a senior role at CDP.¹⁰ This is compounded by the fact that both CDP and SBTi received large donations from the New Venture Fund, whose sister organization donated over \$200 million to political campaigns in 2020.¹¹

CEQ also misled the Committee. During a hearing on the selection of SBTi held by the Committee in November 2023, Mr. Andrew Mayock, Chief Sustainability Officer at CEQ, attempted to persuade the Committee that CEQ's involvement in the proposed rule and the selection of SBTi was limited to the issuance of a policy memo on December 2021 (nearly a year before the proposed rule was published).¹² The documentary evidence provided by CEQ shows this was unambiguously false.¹³ After seeing these documents, Ranking Member Lofgren and Representative Foushee wrote you a letter on December 14, asking you to correct the record after your staff informed the minority staff on four separate occasions in the lead up to the November hearing that CEQ's involvement in the proposed rule was limited to a policy memorandum issued on December 2021.¹⁴

⁵ Exec. Order No. 14030, 86 FR 27967, <https://www.federalregister.gov/documents/2021/05/25/2021-11168/climate-related-financial-risk>.

⁶ Certification of Incorporation of a Private Limited Company: Science Based Targets Initiative LTD, COMPANIES HOUSE U.K. (Jun. 26, 2023), <https://find-and-update.company-information.service.gov.uk/company/14960097/filing-history>; Science Based Targets, SBTi Board of Trustees, Science Based Targets.org, (last visited Feb. 5, 2024) <https://sciencebasedtargets.org/about-us/the-board>.

⁷ Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk, 87 Fed. Reg. 218 (proposed on Nov. 14, 2022) (to be codified 48 C.F.R. pt. 1.4,9,23,52).

⁸ Press Release, House Committee on Science, Space, and Technology Majority Preliminary Findings- SBTi Investigation Staff Memo (Jan. 22, 2024), <https://science.house.gov/press-releases?ID=B88A5C8F-2308-4BC1-B4B3-FA1E3714809C>.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² House Science, Space, and Technology Hearing, Joint Investigations and Oversight and Environment Subcommittees, Missing the Target: CEQ's Meritless Selection of SBTi (Nov. 30, 2023), <https://democrats-science.house.gov/hearings/investigations-and-oversight-subcommittee-hearing--missing-the-target-ceqs-meritless-selection-of-sbti>.

¹³ Press Release, House Committee on Science, Space, and Technology Majority Preliminary Findings- SBTi Investigation Staff Memo (Jan. 22, 2024), <https://science.house.gov/press-releases?ID=B88A5C8F-2308-4BC1-B4B3-FA1E3714809C> (See Exhibits).

¹⁴ Letter from Zoe Lofgren and Valerie Foushee, Ranking Members, House Committee on Science, Space, and Technology to Brenda Mallory, Director, Council on Environmental Quality (Dec. 14, 2023), <https://democrats-science.house.gov/ranking-members-lofgren-and-foushee-letter-to-ceq-chair-mallory>.

In response to the Committee's work, your office issued a press statement calling the Committee's accusations "unfounded,"¹⁵ and when pressed by Representative Obernolte to explain why you believe the Committee's preliminary findings were "unfounded," you replied:

We're in the midst of our investigation right now, I do not want to speak specifically to this issue, I think our sense, based on the reading- my reading of it as well-is there was some misunderstanding both on our role and on the facts of the circumstances because in part because you only released information on a narrow set of stakeholders who were involved when we did a broad review of the stakeholders who had a role in this particular kind of matter.¹⁶

The fact that you launched an investigation into conflicts of interest based on the Committee's work, and the fact that you refuse to discuss this issue until your internal investigation is concluded, unequivocally refutes your claims that the Committee's preliminary findings were "unfounded." Furthermore, your claims put into question the legitimacy of any investigation CEQ may be conducting when you, as Chair of the Council, have already declared a conclusion.

You stated that the Committee only "released information on a narrow set of stakeholders, who were involved when we did a broad review of the stakeholders involved."¹⁷ In its March 2023 letter, the Committee specifically asked you to provide information regarding all government and nongovernment organizations that were considered for the role of emissions validator. To be clear, the Committee never received any documents from CEQ showing a broad review of other stakeholders.¹⁸ The documents the Committee received from CEQ show that CDP and SBTi were the **only** groups that CEQ engaged with in communications regarding standard setting and validation.¹⁹

If more documents do exist, as you now claim, then CEQ intentionally withheld these documents from the Committee. Please clarify if CEQ has indeed withheld important information from the Committee, and, if so, please provide all relevant information and documents to the Committee immediately.

¹⁵ E&E News, House Republicans claim CEQ misconduct on climate rule (Jan. 23, 2024), <https://subscriber.politicopro.com/article/eenews/2024/01/23/house-republicans-claim-ceq-misconduct-on-climate-rule-00137109> ("The Committee's incendiary allegations regarding the motivation of the rulemaking are unfounded and represent an attempt to distract the Administration's historic work to build a climate-resilient clean energy future.").

¹⁶ House Energy and Commerce Committee, Energy, Climate, and Grid Security Subcommittee Hearing, Exposing President Biden's Plan to Dismantle the Snake River Dams and the Negative Impacts to the United States (Jan. 30, 2024), <https://energycommerce.house.gov/events/energy-climate-and-grid-security-subcommittee-hearing-exposing-president-biden-s-plan-to-dismantle-the-snake-river-dams-and-the-negative-impacts-to-the-united-states>.

¹⁷ *Id.*

¹⁸ Letter from Frank Lucas, Jay Obernolte, Brian Babin, and Max Miller, House Committee on Science, Space, and Technology to Brenda Mallory, Director, Council on Environmental Quality (Mar. 10, 2023), <https://science.house.gov/press-releases?ID=79ABA539-9C70-4703-BCF2-96BACF2BA013> ("What other federal agencies or nongovernmental organizations besides SBTi were considered?").

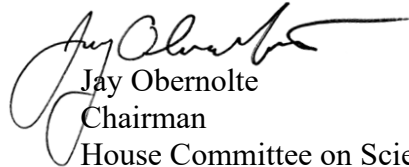
¹⁹ Press Release, House Committee on Science, Space, and Technology Majority Preliminary Findings- SBTi Investigation Staff Memo (Jan. 22, 2024), <https://science.house.gov/press-releases?ID=B88A5C8F-2308-4BC1-B4B3-FA1E3714809C>.

We look forward to hearing your responses to these questions and correction to the record by February 28, 2024. If you have any questions, please contact Dario Camacho of the Committee's Majority staff at (202) 225-6371. Thank you for your time and consideration regarding this important matter.

Sincerely,



Frank Lucas
Chairman
House Committee on Science,
Space, and Technology



Jay Obernolte
Chairman
House Committee on Science,
Space, and Technology -
Subcommittee on
Investigations and Oversight

cc: Zoe Lofgren
Ranking Member
House Committee on Science, Space, and Technology