



May 3, 2023

Shalanda Young  
Director  
Office of Management and Budget  
Washington, DC 20503

Dear Director Young,

On behalf of the Aerospace Industries Association (AIA), which represents many of the nation's most innovative and integral aerospace and defense (A&D) companies ranging from family-run businesses to multinational corporations, I write today with concerns about a Federal Acquisition Regulatory (FAR) Council proposal<sup>1</sup> to require certain federal contractors to disclose greenhouse gas (GHG) emissions throughout their complex supply chains. While our industry shares the goal of addressing climate change and has already made a number of meaningful commitments to reduce environmental impacts, this punitive proposal would impose significant costs on businesses as they work to meet onerous, impractical requirements; open the door to foreign influence on government procurement and the U.S. A&D industry; and inflict a disproportionate burden on small businesses.

By requiring companies to calculate and disclose "Scope 3" emissions, compliance with this proposal would be enormously challenging, if not impossible, for many companies throughout the shared A&D supply chain. So-called Scope 3 emissions are emissions associated with the suppliers and customers throughout a company's value chain. Attempting to calculate these emissions would require companies to set up new, costly, complex data collection systems—for data that is largely outside of their control and provided by entities who are likely unable to accurately calculate their own emissions information. This would be particularly difficult for members of the A&D industry, as our products are used nationally and internationally and tend to have much longer service lives than most consumer products. Because of the sensitivity of military use data and the difficulty of predicting a platform's service life, meeting the proposal's requirements would be especially impractical for companies doing business with the Pentagon.

Additionally, the proposal would insert non-governmental international entities into the federal contracting process. Under this proposal, companies must set targets to reduce their emissions based on standards set by Science-Based Targets initiative (SBTi), an international coalition of non-governmental entities with foreign national leadership and no accountability to the U.S. government. For over 100 years, the men and women of the U.S. A&D industry have worked tirelessly to support America's national security and equip the warfighter. It is unthinkable that

---

<sup>1</sup> FAR Case 2021-015, <https://www.regulations.gov/document/FAR-2021-0015-0001>



this proposal would outsource governance to an international body, opening the door to foreign influence on who is qualified to build military equipment for the protection of our country.

Underlying the many problems with this proposal is the disproportionate burden that would fall on small businesses. At a time when small businesses acutely feel the pressure of inflation and continue to reel from pandemic disruptions, this proposal would saddle contractors with steep implementation and compliance costs and add to the already overwhelming administrative burdens that deter small businesses from working with the government—particularly with the Department of Defense. Over the last decade, small business participation in the defense industrial base (DIB) has already shrunk by more than 40 percent; this proposal has the potential to reduce their participation even further. The absence of small businesses and the innovative, evolving capabilities they bring to the table has a real and direct impact on our national security and ability to deter war. Simply put, the government cannot afford to lose more small business participation in the DIB, and small businesses cannot afford this proposal.

We appreciate the FAR Council's role in this process and have formally submitted comments further detailing our concerns to them.<sup>2</sup> Because the chair of the Council sits under the Office of Management and Budget (OMB) and due to OMB's critical role in the review, implementation, and oversight of the Administration's regulatory agenda, we bring our concerns to you directly and urge you to block this proposal entirely. I welcome the opportunity to discuss these concerns and related issues.

Sincerely,

A handwritten signature in black ink, appearing to read 'Remy Nathan', is positioned below the word 'Sincerely,'.

Remy Nathan  
Senior Vice President of Policy  
Aerospace Industries Association

CC: FAR Council

Mathew C. Blum  
Acting Administrator  
Office of Federal Procurement Policy  
Office of Management and Budget  
Washington, DC 20503

---

<sup>2</sup> <https://www.aia-aerospace.org/wp-content/uploads/AIA-Comments-FAR-2021-015-Climate-Risk-GHG-2-13-23-Final.pdf>



Lesley A. Field  
Acting Administrator  
Office of Federal Procurement Policy  
Office of Management and Budget  
Washington, DC 20503

John M. Tenaglia  
Principal Director  
Defense Pricing and Contracting  
Office of the Secretary of Defense  
Department of Defense  
3060 Defense Pentagon, Room 3B938  
Washington, DC 20301-3060

Karla S. Jackson  
Assistant Administrator for Procurement  
NASA Headquarters  
300 E Street SW,  
Washington, DC 20546

Jeffrey A. Koses  
Senior Procurement Executive  
General Services Administration  
1800 F Street,  
Washington, DC 20503