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Chairman Obernolte and Ranking Member Foushee.

Thank you for inviting me to discuss the serious challenges posed by this proposed rule. Not only do AIA members believe the some of the requirements in the rule are non-executable, we also have serious concerns about the national security implications of making this data public.

First, let me begin by emphasizing our industry's deeply held commitment to sustainability. U.S. aviation manufacturers pledged to achieve net-zero carbon emissions by 2050. Today, manufacturers are building more efficient planes and more sustainable propulsion, they are also minimizing the impact of the manufacturing process and advancing the use of sustainable aviation fuels.

Our companies are working daily to reduce their environmental footprint — not just because it's the right thing to do, but because the market, and our customers, demand it.

We strive to work closely with the federal government to achieve these goals. But the proposed FAR greenhouse gas emissions rule, while well-intended, is not executable for the American aerospace and defense industry.

Under this proposal, federal contractors would be required to disclose emissions and set emission-reduction targets based on standards set by the Science-Based Targets Initiative, or SBTi — an international coalition of non-governmental entities.

This is applicable to direct and indirect emissions, or Scope 1 and 2 emissions, which can be challenging enough. However, the greatest challenge comes from disclosing Scope 3 emissions — the emissions created by suppliers and end-users — including the emissions generated by aircraft when the airlines or the military fly them.

For A&D companies, especially small businesses, accurately assessing Scope 3 emissions is a complex spider web that they do not have the capacity or capability to execute.

Furthermore, SBTi does not have sector-based guidance for all industries, including the A&D industry. As such, SBTi may establish aggressive timelines and rigid standards that don't factor in our unique circumstances.

For instance, the equipment we produce have much longer service lives than most consumer products. Any science-based target must take this into account, and it's not clear the rule, or SBTi, would do so.

Congress should be particularly concerned about the national security implications of the rule.

If the Pentagon provides a total estimate of emissions, will the military then be bound to operate within those parameters, regardless of the threats we encounter? Will disclosing this information publicly provide sensitive information, including data about new-generation platforms and use scenarios, to our adversaries?

What is even more concerning from a security perspective is that this rule opens the door for foreign influence over U.S. government procurement.

SBTi, as noted, is led by foreign nationals and has no accountability to the U.S. government. The organization is designed to create transparency around greenhouse gas emissions, but has no transparency of its own.

The proposed rule taps into other international NGOs to solicit information regarding companies' environmental impacts and targets. If a contractor does not provide this information or if SBTi does not approve their targets, then the contractor would be ruled ineligible for federal contracts.

In other words, it gives an international body the authority to determine which American companies can and can't do business with the U.S. government, including our military.

It is an unnecessary and unacceptable risk for the U.S. government to divest this authority.

The effects stem further: Right now, the Pentagon and the defense community are concerned about the shrinking size of the defense industrial base. Companies, especially small and mid-sized companies, increasingly cannot afford the costs of doing business with the U.S. government.

This rule will become yet another market barrier for these smaller companies, which may turn to commercial work instead.

A diverse defense industrial base is critical to our military meeting its growing mission set — and this rule would jeopardize that, even as a land war continues in Europe and the threat of conflict in the Indo-Pacific grows.

The American A&D industry shares our government's goal of reducing carbon emissions. We also share the goals of American economic prosperity and undisputable military supremacy.

The proposed rule will surely hinder progress toward all three of these goals.

Thank you again for having me, and I look forward to answering your questions.

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