December 7, 2023

TO:

Lloyd J. Austin III Bill Nelson Secretary of Defense Administrator

U.S. Department of Defense National Aeronautics and Space

Administration

Robin Carnahan Administrator General Services Administration

Lesley A. Field
Acting Administrator

Office of Federal Procurement Policy
Office of Management and Budget

FROM: Steven M. Rothstein, Managing Director

John Kostyack, Consultant

Ceres Accelerator for Sustainable Capital Markets

RE: Supplemental Comment in FAR Case 2022-006 - Federal Sustainable

Procurement Proposal

<u>Ceres</u> appreciates this opportunity to provide supplemental comments on the proposed Federal Sustainable Procurement Rule ("Proposed Rule") put forward by the Federal Acquisition Regulatory Council (FAR Council).¹ As we stated in our <u>October 2, 2023, comment letter</u>, the Proposed Rule represents an important step forward in the government's efforts to address the risks, and capture the opportunities, associated with climate change, nature loss, water constraints, and other environmental challenges.

In this supplemental letter, we provide a brief analysis of the 48 public comments filed in response to the Proposed Rule as of October 24, 2023.² We find that 44 of these comments, or 92 percent, express support for the rule and 4 comments, or 8 percent, express opposition.

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¹ "Federal Acquisition Regulation: Sustainable Procurement," 88 Fed. Reg. 51672 (August 2, 2023).

² We excluded from our analysis two comments seeking an extension, one comment focused on an aspect of the rule unrelated to sustainable procurement (texting while driving) and one comment from a federal agency.

We defined a comment as "in support" if the letter indicated, explicitly or implicitly, support for the core requirement of the Proposed Rule that requiring agencies and contracting officers must procure products and services federally-identified as sustainable to the maximum extent practicable. This essentially establishes a default for sustainable procurement that applies unless the products and services identified as sustainable cannot achieve a reasonable performance schedule, performance requirements, or price. A letter is deemed "in opposition" if it offers no support for the Proposed Rule's core requirement.

Support for the Proposed Rule was expressed by three categories of commenters as follows:

- 23 of 27 private sector comments expressed support;
- All 12 NGO comments expressed support;³
- All 9 individual comments expressed support.

The overwhelming support from private sector commenters is particularly noteworthy. Companies and trade associations across numerous sectors, ranging from information technology to steel and sheet metal to paper and bioplastics, acknowledged the rewards and incentives that a federal commitment to sustainable procurement provides to businesses that voluntarily invest in sustainability innovation. The premise of the Proposed Rule – that clarifying federal sustainable procurement rules provides substantial benefits to sustainability leaders in the private sector in addition to the environment – is strongly supported by the comment file.

Numerous supporters, including Ceres, offered a number of recommendations for strengthening the Proposed Rule. A heavy focus of these recommendations was on follow up actions needed from implementing agencies. Among the key themes:

- EPA and other agencies should expand the range of products and services that
 are federally-identified as sustainable, such as products and services that
 prioritize healthy foods and avoidance of food waste (see, e.g., comments of
 Replate, Inc.) and products offering reusable and refillable alternatives to singleuse plastics (see, e.g., comments of Ocean Conservancy);
- EPA and other agencies should pay close attention to building consensus and providing opportunities for input (see, e.g., <u>comments of American Wood</u> <u>Council</u>) before making recommendations and should revisit certain

recommendations (see, e.g., <u>comments of Nucor</u> questioning EPA's decision to recommend separate standards for two types of steel).

• Agencies should provide strong oversight of implementation, such as collecting

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³ We defined NGOs broadly to include the GSA's multi-stakeholder Government Acquisition Policy Federal Advisory Committee.



and analyzing written justifications for not procuring sustainable products and services (see, e.g., <u>comments of Global Electronic Council</u>) and producing reports on types and dollar amounts of products procured (see, e.g., <u>comments of Biotechnology Innovation Organization</u>).

The Proposed Rule represents a critical step in the Federal government's efforts to promote efficient and economical procurement and protect taxpayers while catalyzing technology innovation, helping American businesses compete in the global marketplace, and creating well-paying jobs. We urge the FAR Council to consider the broad support for the rule from the private sector, NGOs and individuals, as well as the constructive suggestions for improvement, when moving to finalization.

Please reach out to Steven Rothstein (<u>srothstein@ceres.org</u>) or John Kostyack (<u>john@kostyackstrategies.com</u>) if you have any questions or would like to discuss our recommendations. Thank you for your consideration.

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