

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2561 Rayburn House Office Building
Washington, DC 20515-6515

June 9, 2023

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

Dear Mr. Blum:

The House Committee on Small Business (the Committee) writes to inquire about the recent proposed rule change to the Federal Acquisition Regulation (FAR). This rule would require certain federal contractors to disclose greenhouse gas emissions and monetary climate-related risks, along with requiring them to create targets to reduce emissions.¹ As outlined by the U.S. Small Business Administration (SBA) Office of Advocacy, the fixed costs imposed by the rule will disproportionately impact small businesses in the federal contracting space.² This is especially troubling when considering that new small business federal contracts have fallen by 60 percent over the last decade.³ It appears that the FAR Council may not have properly considered small entities during this rulemaking process.

It is important for agencies to properly consider small businesses interests, which make up 99.9 percent of all businesses in the United States, when passing any new rule. America's small businesses deserve to have their voices heard and considered. We therefore request the following information as soon as possible but no later than June 23, 2023:

1. What are your statutory requirements to examine this rule's impact on small businesses?
2. How many small businesses will be impacted by this rule?
3. What additional compliance costs on small businesses are associated with this new rule?
4. Where can small businesses go to examine your analysis on the impacts this rule will have on their operations?

¹ Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk, 87 Fed. Reg. 68412 (Nov. 14, 2022).

² Letter from Major L. Clark, III, *et al.*, Dep. Chief Counsel, Small Bus. Admin. Office of Advocacy, to Regulatory Secretariat, Fed. Acquisition Regulation Council (Feb. 10, 2023).

³ Press Release, The White House, Statements and Releases, FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners (Dec. 2, 2021).

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5. What alternatives have been considered to lessen the impacts on small businesses?

To schedule the delivery of your response or ask any related follow-up questions, please contact Committee on Small Business Majority Staff at (202) 225-5821. The Committee on Small Business has broad authority to investigate “problems of all types of small business” under House Rule X. Thank you in advance for your cooperation with this inquiry.”

Sincerely,

A handwritten signature in black ink that reads "Roger Williams". The signature is written in a cursive style with a large, stylized 'R' and 'W'.

Roger Williams
Chairman
Committee on Small Business

cc: The Honorable Nydia M. Velasquez, Ranking Member
Committee on Small Business