To: Committee on Natural Resources Republican Members

From: Subcommittee on Oversight and Investigations Staff – Michelle Lane,

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Date: Thursday, May 16, 2024

Subject: Oversight Hearing on "Examining the Council on Environmental Quality Fiscal

Year 2025 Budget Request and Related Policy Matters"

The Committee on Natural Resources will hold a full committee oversight hearing on "Examining the Council on Environmental Quality Fiscal Year 2025 Budget Request and Related Policy Matters" on Thursday, May 16, 2024, at 10:00 a.m. in room 1324 Longworth House Office Building.

Member offices are requested to notify Sophia Varnasidis (<u>Sophia@mail.house.gov</u>) by 4:30 p.m. on Tuesday, May 14, 2024, if their Member intends to participate in the hearing.

I. <u>KEY MESSAGES</u>

- Under the Biden administration, the Council on Environmental Quality (CEQ) has transformed from a small staff tasked with ensuring compliance with the National Environmental Policy Act of 1969 (NEPA), into a legion of frontline warriors implementing radical social change and eco-justice initiatives.
- CEQ's role in implementing executive orders and rulemaking vastly exceeds its statutory authority. Under this administration, no corner of the government is free from CEQ's tentacles.
- Despite the significant bipartisan NEPA and permitting reforms in the Fiscal Responsibility Act, CEQ is ignoring Congress's will and must be held accountable. CEQ's Phase 2 NEPA Rule will hinder efforts to build critical infrastructure. It is eroding progress when the government should be reducing permitting burdens and streamlining bureaucratic processes.

II. WITNESS

 The Honorable Brenda Mallory, Chair, Council on Environmental Quality, Washington, DC

III. BACKGROUND

CEQ, housed within the Executive Office of the President, oversees federal agency compliance with NEPA, ¹ issuing regulations and guidance detailing how federal agencies must implement and comply with the statute. ² Notably, although NEPA authorized CEQ, a 1978 Executive Order (EO) charged CEQ to issue regulations applicable to all federal agencies regarding preparing an Environmental Impact Statement (EIS). ³ CEQ was not, however, authorized to enforce these regulations. ⁴ Over the decades, this first EO authorized by President Nixon has been updated, expanded upon, and supplemented with additional guidance by multiple presidents. ⁵

a. CEQ's Budget Request

The explosive growth of CEQ's mission and bureaucratic morass is mirrored in the dramatic rise of its budget. CEQ's budget remained relatively stable since its inception until it received an infusion of funding through the Inflation Reduction Act. From 2019 to 2023, CEQ's baseline budget grew from \$2.89 million to approximately \$4.67 million—an increase of approximately 63% over four years. In addition, CEQ received \$62.5 million from the Inflation Reduction Act to support environmental and climate data collection as well as CEQ's baseline functions for "training personnel, developing programmatic environmental documents, and developing tools, guidance, and technologies to improve stakeholder and community engagement." The President's Fiscal Year (FY) 2025 Budget reports an unexpired, unobligated balance of \$63 million for FY 2023, an estimate of \$58 million for FY 2024, and an estimate of \$42 million for FY 2025. Despite the unexpired and unobligated balance, the President's budget requests \$4.67 million in appropriations for FY 2025.

In addition to increases in the agency's budget, CEQ's staffing, which generally ranged from 17-25 full-time equivalent (FTE) employees, has also increased. According to the President's FY 2024 Budget request, CEQ supported 17 FTE's in 2022, and estimated this number would increase to 36 in FY 2023 and 2024. In an official document uploaded to CEQ's website in May of 2023, more than 100 employees—including fellows—are listed (nearly doubling the agency's listed staff size from the year prior). It is unclear how many of the staff are CEQ employees and how many are on detail from other federal agencies. The President's FY

¹ 40 C.F.R. pts. 1500–1518.

² Nina M. Hart, Cong. Research Serv., R47205, *Judicial Review and the National Environmental Policy Act of 1969* (Aug. 4, 2022), https://crsreports.congress.gov/product/pdf/R/R47205.

³ Linda Luther, Cong. Research Serv., RL33152, *The National Environmental Policy Act (NEPA): Background and Implementation* (Jan. 10, 2011), https://crsreports.congress.gov/product/pdf/RL/RL33152.

⁵ *Id*.

⁶ Publ. L. 117–169 (Aug. 16, 2022), https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf.
⁷ Id

⁸ See The White House, Congressional Budget Submission, Executive Office of The President (Fiscal Year 2025), https://www.whitehouse.gov/wp-content/uploads/2024/03/eop_fy2025.pdf.

¹⁰ See The White House, Congressional Budget Submission, CEQ-3 (Fiscal Year 2024), https://www.whitehouse.gov/wp-content/uploads/2023/03/FY-2024-EOP-Congressional-Budget-Submission.pdf (hereinafter *The President's Budget for Fiscal Year* 2024).

¹¹ COUNCIL ON ENV'T QUALITY, CEQ Names Titles (May 31, 2023), https://www.whitehouse.gov/wp-content/uploads/2023/05/CEQ-Names-Titles-2022.05.31.pdf.

2025 Budget request reports the total number of actual FTEs in FY 2023 at 32 (nearly doubling the staff size from the year prior) and estimates the FTE for FY 2024 and 2025 at 54, nearly doubling the size of FY 2023 staffing level.¹²

b. CEQ's Role has Transformed from Ensuring NEPA Compliance to a Government-Wide Agency Tasked with Implementing President Biden's Radical Social and Environmental Justice Agenda

President Biden has transformed CEQ's role from overseeing NEPA compliance to implementing his radical eco-agenda, remaking federal agencies as vehicles of social change, and leading the war on domestic energy production. As Chair of CEQ, Brenda Mallory has described her role as "focused particularly on addressing the environmental justice and climate change challenges." CEQ's chief of staff describes the responsibilities and powers that President Biden has bestowed upon CEQ as "unprecedented."

CEQ Implements President Biden's Radical Social Change and Eco-Agenda Executive Orders

On his first day in office, President Biden issued Executive Order (EO) 13990. This EO aimed to bolster resilience to climate change, restore and expand national monuments, prioritize environmental justice, and "create the well-paying union jobs necessary to deliver on these goals." Practically speaking, the EO required all government agencies to immediately review all existing government regulations promulgated by the previous administration that may have been inconsistent with the goals of EO 13990. The Chair of CEQ was directed to consult on the national monument review process, participate as a member of the Interagency Working Group on the Social Cost of Greenhouse Gases, and more. In addition, EO 13990 canceled the construction permit for the Keystone XL pipeline and revoked several executive orders published by the Trump administration, including those that prioritized permitting streamlining and infrastructure development. In the construction of the prioritized permitting streamlining and infrastructure development.

The following week, Biden issued EO 14008, which mandated broad environmental justice goals for the federal government to ensure environmental and economic justice are key considerations in how we govern. ¹⁹ EO 14008 established—among other initiatives—the National Climate Task Force, which is chaired by the National Climate Advisor and includes the Chair of CEQ as a member. ²⁰ Additionally, the EO directed the Chair of CEQ to lead the Federal Clean Electricity and Vehicle Procurement Strategy, which would work to facilitate a carbon free

¹² See EXECUTIVE OFFICE OF THE PRESIDENT, The Budget for Fiscal Year 2025, https://www.whitehouse.gov/wp-content/uploads/2024/03/eop fv2025.pdf.

¹³ See THE WHITE HOUSE, Congressional Budget Submission, CEQ (Fiscal Year 2025), https://www.whitehouse.gov/wp-content/uploads/2024/03/FY-2025-Executive-Office-of-the-President-Congressional-Budget-Submission.pdf (hereinafter *The President's Budget for Fiscal Year 2025*).

 $^{^{14}\,\}text{THe White House, }\textit{Council on Environmental Quality}, \underline{\text{https://www.whitehouse.gov/ceq/.}}$

¹⁵ Robin Bravender & Kelsey Brugger, supra note 11..

¹⁶ EXEC. ORDER NO. 13990, 86 F.R. 7037 (Jan. 20, 2021), https://www.federalregister.gov/documents/2021/01/25/2021-01765/protecting-public-health-and-the-environment-and-restoring-science-to-tackle-the-climate-crisis.
¹⁷ Id.

¹⁸ *Id*.

¹⁹ EXEC. ORDER NO. 14008, 86 F.R. 7619 (Jan. 27, 2021), https://www.federalregister.gov/documents/2021/02/01/2021-02177/tackling-the-climate-crisis-at-home-and-abroad.
²⁰ Id.

electricity sector by 2035, and clean or zero-emission vehicle fleets for federal, state, local, and tribal governments.²¹ CEQ was further directed to update federal procurement standards and work with relevant Cabinet officials on renewable energy siting and permitting plans.²²

EO 14008 also established two new councils within the White House responsible for implementing environmental justice in government actions: the White House Environmental Justice Interagency Council (IAC) and the White House Environmental Justice Advisory Council (WHEJAC).²³ Both IAC and WHEJAC report to CEQ and work to develop and institute Biden's radical eco-agenda and wage war on domestic energy production.

The IAC—primarily composed of leading Cabinet officials and White House advisors—is charged with promoting and coordinating environmental justice initiatives across the executive branch.²⁴ It is also tasked with developing environmental justice performance metrics and issuing a scorecard on agency implementation of environmental justice goals.²⁵ For example, the IAC advised CEQ's creation of the Climate and Economic Justice Screening Tool,²⁶ a tool to identify what communities will receive federal benefits for affordable housing and environmental justice projects.²⁷ CEQ Chair Brenda Mallory also chairs the IAC.²⁸

WHEJAC is charged with providing recommendations to the IAC, CEQ, and the Chair of CEQ regarding addressing current and past environmental injustice. ²⁹ For example, in August of 2022, WHEJAC issued recommendations on how to transform the practices of all federal agencies and ensure Justice 40 Initiatives are used to address "systemic inequities." WHEJAC's recommendations included mandating every federal agency to convene a board of environmental and climate justice advocates, requiring state and local agencies to use CEQ's Climate and Economic Justice Screening Tool, prioritizing the recruitment and training of staff with expertise in environmental and climate justice, and prohibiting the use of Justice 40 Initiative funds to support fossil fuel infrastructure or generation.³¹

The Justice40 Initiative—also created by EO 14008—is chaired by CEQ and seeks to direct 40 percent of certain federal investments to disadvantaged communities, which are not defined. The White House has issued formal Interim Implementation Guidance directing all federal agencies to identify which of their programs are covered under the Justice40 Initiative

²¹ *Id*.

²² *Id*.

²³ Id.

²⁴ Id.

 $^{^{25}}$ The White House, White House Environmental Justice Interagency Council,

 $[\]frac{\text{https://www.whitehouse.gov/environmentaljustice/white-house-environmental-justice-interagency-council/}{26 \text{ } \textit{Id.}} \text{ (hereinafter IAC)}.$

²⁷ Press Release, THE WHITE HOUSE, *Biden-Harris Administration Launches Version 1.0 of Climate and Economic Justice Screening Tool, Key Step in Implementing President Biden's Justice40 Initiative* (Nov. 22, 2022), https://www.whitehouse.gov/ceq/news-updates/2022/11/22/biden-harris-administration-launches-version-1-0-of-climate-and-economic-justice-screening-tool-key-step-in-implementing-president-bidens-justice40-initiative/">https://www.whitehouse.gov/ceq/news-updates/2022/11/22/biden-harris-administration-launches-version-1-0-of-climate-and-economic-justice-screening-tool-key-step-in-implementing-president-bidens-justice40-initiative/.

²⁸ IAC, *supra* note 25.

²⁹ THE WHITE HOUSE, White House Environmental Justice Advisory Council,

https://www.whitehouse.gov/environmentaljustice/white-house-environmental-justice-advisory-council/.

30 WHITE HOUSE ENVIRONMENTAL JUSTICE ADVISORY COUNCIL, Justice40 Initiative Implementation Phase 1 Recommendations

⁽Aug. 17, 2022), https://www.epa.gov/system/files/documents/2022-08/WHEJAC%20J40%20Implementation%20Recommendations%20Final%20Aug2022b.pdf.

³¹ *Id.* at 3.

and to begin implementing reforms to those programs.³² Without Congressional authorization, Justice 40 is changing the way hundreds of federal programs across government touch climate change, clean energy, transit, housing, workforce development, remediation of legacy pollution, and critical infrastructure operate.³³

EO 14008 also established the administration's 30x30 agenda, which seeks to preserve 30 percent of our lands and waters by 2030.³⁴ Since re-branding 30x30 as the America the Beautiful Initiative, for over two and a half years the administration has failed to provide basic definitions or baseline metrics for what counts towards this goal, while using 30x30 to justify taking preservationist actions like designating national monuments or initiating mineral withdrawals. In fact, the Biden administration has issued 7 monument designations, locking up over 3.62 million acres of land, and implemented onerous restrictions on a Marine National Monument off the coast of New England.³⁵ Just this month, the Biden administration expanded two monuments in California by 120,000 acres and there are reports the administration is under pressure to expand or designate several new monuments throughout the remainder of the year. ³⁶ In many instances, the expansion or creation of new monuments has been met with considerable pushback from state and local officials, notably in Colorado and Utah. The administration also created a \$1 billion 30x30 slush fund—with no statutory authority or clearly defined funding sources—to fund vaguely defined projects consistent with 30x30. A letter sent by Committee Republicans in May of 2022 to Chair Mallory asking specific questions about this fund has gone unanswered.³⁷

On April 19, 2024, the White House announced the creation of Conservation.gov, a "website that will help connect people with information, tools, resources, and opportunities to support land and water conservation projects in communities across the country" along with the beta version of the American Conservation and Stewardship Atlas (The Atlas) to track 30x30 progress. 38 This included a preliminary framework for assessing 30x30 progress, summarized in the diagram below.³⁹ The Atlas also included preliminary assessment of progress, including "13 percent of U.S. lands that are permanently protected and not subject to extractive uses" and 26 percent of marine areas are designated as Marine Protected Areas (MPA). 40 However, The Atlas is not complete, and CEO acknowledges additional data is needed for a more precise estimate.

³² THE WHITE HOUSE, *Justice 40*, https://www.whitehouse.gov/environmentaljustice/justice40/.

³⁴ THE WHITE HOUSE, Year One Report America the Beautiful (Dec. 2021), https://www.whitehouse.gov/wpcontent/uploads/2021/12/AtB-Year-One-Report_.pdf.

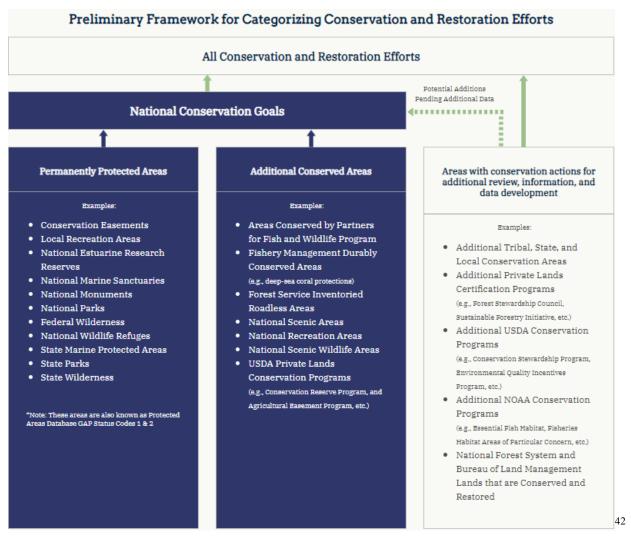
³⁵ The White House, "Fact Sheet: President Biden Expands San Gabriel Mountains National Monument and Berryessa Snow Mountain National Monument", May 2, 2024, https://www.whitehouse.gov/briefing-room/statements-releases/2024/05/02/factsheet-president-biden-expands-san-gabriel-mountains-national-monument-and-berryessa-snow-mountain-national-monument/. ³⁶ Wilson, Janet, "National pressure mounts for Biden to create Chuckwalla monument, protect other lands," Desert Sun, April 16, 2024, https://www.desertsun.com/story/news/nation/california/2024/04/16/chuckwalla-national-monument-biden-urged-totake-action-ahead-of-election/72599477007/.

³⁷ Letter from Rep. Bruce Westerman et al., H. COMM. ON NATURAL RESOURCES, to Brenda Mallory, Chair, COUNCIL ON ENV'T QUALITY; (May 12, 2022), https://naturalresources.house.gov/uploadedfiles/2022-05-12 westerman_et_al_to_mallory_re_america_the_beautiful_challenge.pdf.

³⁸ Council on Environmental Quality, Biden-Harris Administration Launches Conservation.gov, Showcasing and Supporting the Rapid Acceleration of Locally Led Efforts to Conserve, Protect and Restore Lands and Waters across America, THE WHITE HOUSE (Apr. 19, 2024), https://www.whitehouse.gov/ceq/news-updates/2024/04/19/biden-harris-administration-launchesconservation-gov-showcasing-and-supporting-the-rapid-acceleration-of-locally-led-efforts-to-conserve-protect-and-restore-landsand-waters-across-america/.

³⁹ Supporting Conservation Ambition and Progress across the U.S., Conservation.org, https://www.conservation.gov/pages/supporting-conservation. ⁴⁰ *Id*.

Alarmingly, CEQ also states that "protection, conservation, and restoration efforts will need to stay at or above 2021-2023 levels of expansion." ⁴¹



Source: Conservation.gov

On May 20, 2021, President Biden issued EO 14030, *Climate-Related Financial Risk*, which, among other things, directs CEQ and other agency heads to consider amending the Federal Acquisition Regulation (FAR) and require major federal suppliers to publicly disclose greenhouse gas emissions and climate-related financial risk, and to "set science-based reduction targets." Further, EO 14030 grants CEQ the power to amend the FAR to favor bids and proposals from suppliers with a lower social cost of greenhouse gas emissions. 44

⁴¹ *Id*.

⁴² *Id*.

⁴³ EXEC. ORDER No. 14030, 86 F.R. 27967 (May 20, 2021), https://www.federalregister.gov/documents/2021/05/25/2021-11168/climate-related-financial-risk.
⁴⁴ Id.

In April of 2022, President Biden issued Executive Order 14072, directing the U.S. Department of Agriculture (USDA) and the Department of the Interior (DOI) to define, identify, and inventory mature and old growth forests on public lands by April 22, 2023, and subsequently develop policies to protect those forests. The interagency mature and old growth initiative began in July 2022 with a Federal Register Notice and public comment period, resulting in roughly 4,000 responses and more than 100,000 signatures on various form letters from across the country. In April of last year, the Forest Service (USFS) published an "initial draft" seeking to define and inventory "old-growth and mature forests" and even convened a "Definition Development Team." All of these efforts have failed to create a single, coherent definition for "old-growth" or "mature" forests. This is a predictable failure as no standard definition exists for "old growth forests" and "mature forests" and they are not terms recognized in the scientific practice of forestry. Despite this lack of clear definitions, the report identified 32.7 million acres of old growth and 80.1 million acres of mature forest in USFS and Bureau of Land Management lands. There are over 91 million acres of old-growth and mature forested lands on national forests, which is 63 percent of all USFS land.

The administration ultimately admitted "these 'definitions' are considered dynamic, not static, and thus are subject to refinement as new information is incorporated (working definitions)."⁵⁰ Despite this lack of a real definition, the administration released an introductory report in January that identified wildfire, insects, and diseases as the leading threats to mature and old-growth forests, and even admitted that "tree cutting" is a minor threat that generally "improved or maintained" the stands that had been managed.⁵¹ In a continuation of this misguided and incomplete effort, the Biden administration published a Notice of Intent to amend all 128 national forest land management plans to provide direction on how to manage, conserve and steward old-growth forest conditions.⁵² A draft Environmental Impact Statement is expected this summer, and the amendment process is expected to be completed in early 2025.⁵³

Chairman Westerman, along with the other Republican leaders of committees of jurisdiction, recently sent a letter to USDA Secretary Tom Vilsack expressing significant concerns with the forest plan amendment process for old growth and the serious threat this poses

⁴⁵ Executive Office of the President [Joseph Biden]. Executive Order 14072, "Strengthening the Nation's Forests, Communities, and Local Economies." April 20, 2023. 87 F.R. 24851, https://www.govinfo.gov/content/pkg/FR-2022-04-27/pdf/2022-09138.pdf.

⁴⁶ U.S. Forest Service and Bureau of Land Management, "Request for Information (RFI) on Federal Old-growth and Mature Forests", July 15, 2024, 87 FR 42493, https://www.federalregister.gov/documents/2022/07/15/2022-15185/request-for-information-rfi-on-federal-old-growth-and-mature-forests

⁴⁷ U.S. Forest Service and Bureau of Land Management, "Mature and Old-Growth Forests: Definition, Identification, and Initial Inventory on Lands Managed by the Forest Service and Bureau of Land Management", April 2023, https://www.fs.usda.gov/sites/default/files/mature-and-old-growth-forests-tech.pdf.

⁴⁸ *Id*.

⁴⁹ *Id*.

⁵⁰ *Id*.

⁵¹ U.S. Forest Service and Bureau of Land Management, "Analysis of Threats to Mature and Old-Growth Forests on Lands Managed by the Forest Service and Bureau of Land Management, January 2024, https://www.fs.usda.gov/sites/default/files/fs_media/fs_document/MOG-Threats-Intro.pdf.

⁵² U.S. Forest Service, "Land Management Plan Direction for Old-Growth Forest Conditions Across the National Forest System, December 20, 2023, 88 FR 88042, https://www.federalregister.gov/documents/2023/12/20/2023-27875/land-management-plan-direction-for-old-growth-forest-conditions-across-the-national-forest-system.

⁵³ U.S. Forest Service, "National Old-Growth Amendment", https://www.fs.usda.gov/managing-land/old-growth-forests/amendment#:~:text=The%20National%20Old%2DGrowth%20Amendment,to%20rapidly%20changing%20climate%20conditions.

to forest health and multiple use.⁵⁴ This letter also raises concerns with how this likely conflicts with the 2012 Planning Rule, the forest plan development process, and the National Environmental Policy Act by placing management restrictions on thousands of acres, stands, or entire units based on a "narrative framework" or a "working definition." ⁵⁵

President Biden continues to promote his environmental justice priorities through executive action. On April 21, 2023, President Biden signed EO 14096,⁵⁶ Revitalizing Our Nation's Commitment to Environmental Justice for All, with the purpose of "further embedding environmental justice into the work of federal agencies" by making environmental justice part of "each agency's" mission. EO 14096 cements CEQ as the leading entity charged with executing Biden's eco-agenda and war on domestic energy production.

EO 14096 also created yet another bureaucratic entity—the White House Office of Environmental Justice—to coordinate the implementation of environmental justice policy across the federal government.⁵⁹ The White House Office of Environmental Justice is housed within CEQ.⁶⁰ The Biden administration has not clarified why creating the White House Office of Environmental Justice is necessary since EO 14008 tasked the IAC with promoting environmental justice initiatives across federal agencies. Nonetheless, the IAC, WHEJAC, and the White House Office of Environmental Justice all report to and take orders from the same entity – CEQ.

c. CEQ's Active Role in Rules that Attack Domestic Energy Production and Increase Regulatory Burdens

CEQ has taken an active role in the Biden administration's rules that attack domestic energy development and increase regulatory burdens on American businesses. Chief among the examples of CEQ and the Biden administration's crusade against American energy production and the strength of America's economy are the Greenhouse Gas Rule, the empowerment of the Science Based Target Initiative (SBTi), and the promulgation of rules related to NEPA and permitting reforms that do not adequately adhere to the Fiscal Responsibility Act of 2023 (Fiscal Responsibility Act).

Greenhouse Gas Rule

In November of 2022, the Biden administration proposed a rule, *Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk* (the Proposed GHG Disclosure

⁵⁴ Letter from Sen. John Boozman, Sen. John Barrasso, Rep. Bruce Westerman, and Rep. GT Thompson to Thomas Vilsack, Secretary, U.S. Department of Agriculture, https://republicans-naturalresources.house.gov/UploadedFiles/Letter Old.Growth.Forest.Plan.Amendment 03.20.2024.pdf

⁵⁶ Exec. Order No. 14096, 88 F.R. 25251 (Apr. 21, 2023) https://www.federalregister.gov/documents/2023/04/26/2023-08955/revitalizing-our-nations-commitment-to-environmental-justice-for-all.

⁵⁷ THE WHITE HOUSE, FACT SHEET: President Biden Signs Executive Order to Revitalize Our Nation's Commitment to Environmental Justice for All (Apr. 21, 2023), https://www.whitehouse.gov/briefing-room/statements-releases/2023/04/21/fact-sheet-president-biden-signs-executive-order-to-revitalize-our-nations-commitment-to-environmental-justice-for-all/">https://www.whitehouse.gov/briefing-room/statements-releases/2023/04/21/fact-sheet-president-biden-signs-executive-order-to-revitalize-our-nations-commitment-to-environmental-justice-for-all/">https://www.whitehouse.gov/briefing-room/statements-releases/2023/04/21/fact-sheet-president-biden-signs-executive-order-to-revitalize-our-nations-commitment-to-environmental-justice-for-all/

⁵⁸ Exec. Order No. 14096, *supra* note 47.

⁵⁹ *Id*.

⁶⁰ *Id*.

Rule), to mandate that government contractors publicly "disclose their greenhouse gas emissions and climate-related financial risk and set science-based targets to reduce their greenhouse gas emissions." If finalized, the Proposed GHG Disclosure Rule would implement Section 5(b)(i) of the aforementioned EO 14030, *Climate-Related Financial Risk*. The Proposed GHG Disclosure Rule mandates "major" government contractors, defined as those with contracts valued at over \$50 million, develop "science-based reduction targets" that are validated and approved by an international non-governmental organization known as SBTi. 63

The proposed rule—labeled as FAR Case 2021-015—remains open and unfinalized as of May 3, 2024.⁶⁴ Although the public comment period for the proposed rule closed on January 13, 2023, and the Director of the Defense Acquisition Regulation (DAR) Council tasked the Acquisition Environmental and Contract Management Team with issuing a report by April 19, 2023, to facilitate the finalization of the GHG Disclosure Rule, the report deadline has been extended to May 22, 2024.⁶⁵

The Proposed GHG Disclosure Rule far exceeds the original authority granted by President Biden. Most problematically, EO 14030 does not require—nor does President Biden have the authority to require—a reduction target validation by a private international non-governmental organization like SBTi.

Science Based Target Initiative

In its Proposed GHG Disclosure Rule, CEQ seeks to significantly exceed the authority President Biden granted CEQ in EO 14030 by offloading its responsibility to set standards for greenhouse gas emissions to SBTi and require all major contractors use SBTi validation services. ⁶⁶ Essentially, CEQ wants to promulgate a rule imposing draconian "science-based targets," but outsource the ability to "validate" and enforce the targets to a monopolistic international non-governmental organization—a dereliction of duty of the highest order. ⁶⁷

In March of 2023, the House Committee on Natural Resources (Committee), along with the House Committee on Science, Space, and Technology (SST Committee), launched an investigation into CEQ, SBTi, and SBTi's selection as the sole arbitrator—effectively judge, jury, and executioner—of emission reduction targets for federal contractors. ⁶⁸ On June 22, 2023, during last year's hearing regarding CEQ and its budget, the Committee asked CEQ Chair

⁶¹ Federal Acquisition Regulation: Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk, 87 Red. Reg. 68312 (proposed on Nov. 14, 2022) (to be codified 48 C.F.R pts. 1, 4, 9, 23, 52),

 $[\]frac{https://www.federalregister.gov/documents/2022/11/14/2022-24569/federal-acquisition-regulation-disclosure-of-greenhouse-gasemissions-and-climate-related-financial}{(hereinafter Proposed GHG Disclosure Rule)}.$

⁶² Exec. Order No. 14030, 86 Red. Reg. 27967 (May 20, 2021),

 $[\]underline{https://www.federalregister.gov/documents/2021/05/25/2021-11168/climate-related-financial-risk.}$

⁶³ Proposed GHG Disclosure Rule, *supra* note 54.

⁶⁴ U.S. DEPT. OF DEFENSE, OPEN FAR CASES (May 3, 2024), https://www.acq.osd.mil/dpap/dars/opencases/farcasenum/far.pdf.

⁶⁵ Id

⁶⁶ SCIENCE BASED TARGETS, https://sciencebasedtargets.org/.

⁶⁷ See Proposed GHG Disclosure Rule, supra note 54.

⁶⁸ See Staff of H.R. Comm. on Science, Space, and Technology, 118th Cong., Preliminary Findings – SBTi Investigation (2024); Letter from Rep. Bruce Westerman et al., H. Comm. on Natural Resources, to Brenda Mallory, Chair, Council on Env't Quality (Sept. 6, 2023).

Mallory multiple questions related to SBTi.⁶⁹ Those questions—on SBTi's selection through an uncompetitive process, SBTi's foreign identity and influences, SBTi's emission assessment processes, and SBTi's conflicts of interest—went unanswered.⁷⁰

Subsequently, on September 6, 2023, the Committee sent a letter to CEQ and Chair Mallory reemphasizing its concerns about CEQ's outsourcing its compliance authority to SBTi and requesting targeted documents and information related to SBTi in CEQ's possession. After acknowledging receipt of the Committee's letter, CEQ ignored the Committee's concerns and failed to respond. The Committee sent a second letter to CEQ and Chair Mallory on October 17, 2023, once again requesting CEQ to produce documents and information responsive to the Committee's requests, which were grounded in serious concerns about SBTi and its empowerment by CEQ.

Meanwhile, the SST Committee held two hearings—in September and November 2023—on SBTi and improprieties in CEQ's outsourcing of its authority to the foreign organization. The Eventually, after pressure from both committees, in December of 2023, CEQ produced documents responsive to some of the Committee's concerns. These released documents, as well as other materials uncovered by the Committee and the SST Committee, served as a foundation for a January 2024 SST Committee staff memo on preliminary findings from both committees' investigation into SBTi. The investigation's preliminary findings include CEQ's inappropriately influencing the FAR Council to benefit SBTi and other environmental activist groups; a coordinated effort to fast-track SBTi's selection and drown out genuine concerns related to SBTi; misleading CEQ testimony during congressional hearings; and—perhaps most alarmingly—national security concerns related to SBTi given its international nature and the ability of foreign adversaries to both impact domestic procurement awards and collect potentially sensitive information about federal government contractors. The Committee's investigation into CEQ and SBTi is ongoing.

NEPA & Permitting Reforms under the Fiscal Responsibility Act

In April of 2022, CEQ instituted rules to roll back aspects of the Trump administration's 2020 NEPA regulations and to bolster cumbersome aspects of NEPA that increase the regulatory burdens for building pipelines and other energy infrastructure. ⁷⁶ CEQ referred to this rulemaking

⁷¹ *Id*.

⁶⁹ Letter from Rep. Bruce Westerman et al., H. COMM. ON NATURAL RESOURCES, to Brenda Mallory, Chair, COUNCIL ON ENV'T QUALITY (Sept. 6, 2023).

⁷⁰ *Id*.

⁷² *Id*.

⁷³ Letter from Rep. Bruce Westerman et al., H. COMM. ON NATURAL RESOURCES, to Brenda Mallory, Chair, COUNCIL ON ENV'T QUALITY (Oct. 17, 2023).

⁷⁴ See Press Release, H.R. COMM. ON SCIENCE, SPACE, AND TECHNOLOGY, Science Committee Finds Evidence of Inappropriate Influence in Biden Administration Contracting Rulemaking (Jan. 22, 2024), https://science.house.gov/press-releases?ID=B88A5C8F-2308-4BC1-B4B3-FA1E3714809C.

 $^{^{75}}$ See Staff of H.R. Comm. on Science, Space, and Technology, 118th Cong., Preliminary Findings – SBTi Investigation (2024).

⁷⁶ See COUNCIL ON ENV'T QUALITY, F.R. 23453 (Apr. 20, 2022), https://www.federalregister.gov/documents/2022/04/20/2022-08288/national-environmental-policy-act-implementing-regulations-revisions; Kelsey Brugger, Biden restores climate to NEPA, undoing Trump's efforts, E&E News (Apr. 19, 2022), https://www.eenews.net/articles/biden-restores-climate-to-nepa-undoing-trumps-efforts/.

as its Phase 1 of revisions to existing NEPA regulations.⁷⁷ On May 1, 2024, CEQ published its final rule instituting Phase 2 of its overhaul, with broader changes to the 2020 NEPA regulations.⁷⁸ In significant part, the Phase 2 regulation's purpose was to implement the bipartisan Fiscal Responsibility Act,⁷⁹ signed by President Biden on June 2, 2023, which provides the first significant NEPA and permitting reforms in over forty years. Regarding NEPA, the Fiscal Responsibility Act:⁸⁰

- *Provides Statutory Clarity*. Clarifies and narrows agency considerations of impacts, effects, and alternatives to assess whether NEPA applies to a proposed activity.
- Promotes Interagency Coordination and Timely Reviews. Codifies key elements of the
 One Federal Decision Framework for all projects that must undergo NEPA review. This
 includes the designation of a lead agency to set a permitting schedule, procedures to
 elevate and streamline delays or disputes, and the preparation of a single document for
 environmental reviews involving multiple agencies.
- Streamlines Review Process. Allows agencies to adopt categorical exclusions utilized by other agencies through a streamlined review process.
- Clarifies Major Federal Action. Major federal actions are limited to those subject to federal control and responsibility. It also includes examples of actions that are not major federal actions.
- Involves Project Sponsors in the Preparation of Environmental Reviews. Allows project sponsors to assist agencies in conducting environmental reviews to help speed up the process and resolve issues without taking control or authority away from the lead agency.
- Limits the Length of Environmental Impact Statements and Assessments. Sets 150-page limits for environmental impact statements (300 pages if the project is of extraordinary complexity) and 75-page limits for environmental assessments. Sets time limits of one year for environmental assessments and two years for environmental impact statements. Provides a right of action to project applicants if the agency does not adhere to these deadlines.
- Promotes the Adaptation of Modern Technology. Directs CEQ to study modernizing the NEPA process by utilizing digital technologies to create an online portal to streamline communications and data sharing between agencies and project applicants.

https://financialservices.house.gov/uploadedfiles/fra_section_by_section.pdf.

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⁷⁷ Off. of Mgmt. and Budget, *National Environmental Policy Act Implementing Regulations Revisions Phase* 2, https://www.reginfo.gov/public/do/eAgendaViewRule?publd=202110&RIN=0331-AA07.

⁷⁸ National Environmental Policy Act Implementing Regulations Revisions Phase 2, 89 Fed. Reg. 35442 (May 1, 2024) (to be codified at 40 C.F.R. §§ 1500-08), https://www.federalregister.gov/documents/2024/05/01/2024-08792/national-environmental-policy-act-implementing-regulations-revisions-phase-2.

⁷⁹ Press Release, THE WHITE HOUSE, *Bills Signed: H.R. 346, H.R. 3746* (June 3, 2023) https://www.whitehouse.gov/briefing-room/legislation/2023/06/03/press-release-bills-signed-h-r-346-h-r-3746/.

⁸⁰ See H. COMM. ON NATURAL RESOURCES, Westerman Applauds Permitting Provisions in Fiscal Responsibility Act (May 30, 2023), https://naturalresources.house.gov/news/documentsingle.aspx?DocumentID=413361; H. COMM. ON THE BUDGET, H.R. 3746, The Fiscal Responsibility Act of 2023: Frequently Asked Questions (May 31, 2023),

https://budget.house.gov/resources/staff-working-papers/hr-3746-the-fiscal-responsibility-act-of-2023-frequently-asked-questions; H. COMM. ON FINANCIAL SERVICES, FRA: Section-by-Section,

Yet, CEQ's Phase 2 final rule largely ignores the Fiscal Responsibility Act's prescriptions in favor of further progressing the Biden administration's radical environmental justice agenda. Rather than abide by the Fiscal Responsibility Act's significant NEPA and permitting reforms intended to make it easier to build in America, speed up timelines for critical infrastructure projects, and reduce the burden on taxpayers by creating efficiencies in the permitting process, CEQ's Phase 2 rule weaponizes the NEPA process to delay critical domestic energy projects at a time when our nation should pursue energy independence. This includes exasperating extensive delays of onshore lease sales on federal lands. In fact, rather than streamline the permitting process fairly for all projects under NEPA, Phase 2 subjectively accelerates procedures for CEQ's favored energy sources like wind and solar while effectively mummifying domestic oil and gas production with red tape. As the White House itself made clear, the NEPA Phase 2 regulations aim to "address climate change" and "advance environmental justice" instead of implementing positive bipartisan permitting reform that would benefit Americans, as Congress directed in the Fiscal Responsibility Act.

CEQ Guides Administration's Protective Oceans and Waters Policy

The Biden administration has implemented its radical climate and preservation goals for our oceans and waters through several interconnected initiatives, including EO 14008, the 30x30 Strategy, the *Ocean Climate Action Plan* (OCAP), and the related *Ocean Justice Initiative*. The administration is weaponizing oceans and fisheries policy and MPA designations to satisfy these climate goals, as described in several White House Initiatives below.

The Office of Science and Technology Policy (OSTP) and CEQ, working with the White House Ocean Policy Committee (OPC) released the OCAP in March 2023, a government-wide strategy to advance President Biden's climate initiatives through oceans and fisheries related policies, including conserving at least 30% of U.S. waters by 2030.⁸⁴ The stated goals of the OCAP are to:

- Create a Carbon Neutral Future through advancing offshore wind and marine energy, implementing policies towards achieving zero greenhouse gas emissions from international maritime shipping by no later than 2050, and discover additional ways to sequester carbon in the ocean;
- Accelerate Nature-Based Solutions through protecting marine environments that naturally store carbon, and the utilization of MPAs; and

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⁸¹ See Thomas Catenacci, Biden Administration Delays Oil and Gas Lease Sales Again Amid Environmental Protest, FOX BUSINESS (June 21, 2022), https://www.foxbusiness.com/politics/joe-biden-oil-gas-lease-sales-delay-energy-environmental-protest.

⁸² See National Environmental Policy Act Implementing Regulations Revisions Phase 2, 89 Fed. Reg. 35442 (May 1, 2024) (to be codified at 40 C.F.R. §§ 1500-08), https://www.federalregister.gov/documents/2024/05/01/2024-08792/national-environmental-policy-act-implementing-regulations-revisions-phase-2.

⁸³ THE WHITE HOUSE, Biden-Harris Administration Finalizes Reforms to Modernize Environmental Reviews, Accelerate America's Clean Energy Future, Simplify the Process to Rebuild our Nation's Infrastructure, and Strengthen Public Engagement (Apr. 30, 2024), https://www.whitehouse.gov/ceq/news-updates/2024/04/30/biden-harris-administration-finalizes-reforms-to-modernize-environmental-reviews-accelerate-americas-clean-energy-future-simplify-the-process-to-rebuild-our-nations-infrastructure/.

⁸⁴ Ocean Policy Comm., *Ocean Climate Action Plan*, THE WHITE HOUSE (Mar. 2023), https://www.whitehouse.gov/wp-content/uploads/2023/03/Ocean-Climate-Action-Plan Final.pdf.

• Enhance Community Resilience to Ocean Change through oceans, fisheries and aquaculture policies, the protection of certain species, and enhancing coastal resilience.⁸⁵

On April 17, 2024, CEQ released *Progress Report: Year One of Ocean Climate Action* to summarize the administration's actions taken so far under the OCAP, including advancing environmental justice through the Ocean Justice Strategy, scaling up the offshore wind energy industry, advancing the decarbonization of the U.S. marine transportation system, enhancing community resilience, and addressing and mitigating the impacts of climate change.⁸⁶

As directed by the OCAP,⁸⁷ in June 2023, CEQ first sought public input to determine the concept of 'ocean justice' including: "What is ocean justice?" and "What are the barriers for realizing ocean justice?" These questions demonstrated ocean justice' is a concept the administration themselves did not understand and it revealed the lack of need for such programming. On December 22, 2023, CEQ, OSTP, and OCP released their *Ocean Justice Strategy*. The *Ocean Justice Strategy* describes 'ocean justice' as deriving from "environmental justice with a specific focus on communities with environmental justice concerns that rely on the ocean and Great Lakes for economic, cultural, spiritual, and recreational purposes, and food security." The *Ocean Justice Strategy* also stated three action items for accomplishing 'ocean justice':

- 1. *Embed Ocean Justice in Federal Activities*: Provide an opportunity for meaningful community engagement, better incorporate equity into funding processes and budget development, embed ocean justice into Federal practices, and improve interagency coordination.⁹¹
- 2. Develop a Diverse, Equitable, Inclusive, and Accessible Federal Ocean Workforce: Grow Federal staffing capacity, increase recruitment within the Federal Government ocean workforce and leadership pipeline, and recruit and retain students and early career professionals. 92
- 3. Enhance Ocean Justice through Education, Data, and Knowledge: Expand and improve ocean education and workforce development, consider and apply Indigenous Knowledge throughout Federal research and development, apply an ocean justice lens to ocean research and ways of knowing, and expand the Federal tools used in characterizing social and environmental justice patterns to encompass ocean justice indicators. ⁹³

d. Expanding and Implementing New Marine Protected Areas

One of the tools the administration has utilized to accomplish its 30x30 strategy is the development of MPAs, which are designations, often national marine sanctuaries or marine

⁸⁵ Id

⁸⁶ Ocean Policy Comm., *Progress Report: Year One of Ocean Climate Action*, THE WHITE HOUSE (Apr. 2024), https://www.whitehouse.gov/wp-content/uploads/2024/04/OCAP-Progress-Report_April-2024.pdf.

⁸⁷ *Id*.

⁸⁸ *Id*.

⁸⁹ Ocean Policy Comm., *Ocean Justice Strategy*, THE WHITE HOUSE (December 22, 2023), https://www.whitehouse.gov/wp-content/uploads/2023/12/Ocean-Justice-Strategy.pdf?cb=1701982354.

⁹⁰ Id.

⁹¹ *Id*.

⁹² *Id*.

⁹³ *Id*.

national monuments, used by the National Oceanic and Atmospheric Administration (NOAA) and DOI to limit human activity in certain areas of the marine environment to protect all or part of the designated environment. ⁹⁴ Restricted activities differ by MPA, but generally could include commercial fishing, mining, oil and gas production, and renewable energy development. 95

On January 26, 2024, CEQ released their third annual America the Beautiful 2023 Annual Report, which provided an update on the administration's 30x30 strategy as it relates to this nation's waters. 96 The report describes how NOAA has furthered work on designations for six new national marine sanctuaries, including initiating the public scoping process for a national marine sanctuary for the Pacific Remote Islands, releasing the draft designation for the Chumash Heritage National Marine Sanctuary, nearing the completion of the Lake Ontario national marine sanctuary in early 2024, moving forward with the sanctuary designation processes for Hudson Canyon, and continuing the designation processes for proposed sanctuaries in Lake Erie and Papahānaumokuākea (Northwestern Hawaiian Islands). ⁹⁷ The report also proposed two national estuarine research reserves in the Atchafalaya Basin in Louisiana and the Bay of Green Bay in Wisconsin.98

President Biden has weaponized these MPA designations to accomplish his radical climate goals without considering the negative consequences on the economy for affected communities. 99 For example, in March 2023, the administration announced the consideration of "a new National Marine Sanctuary designation . . . to protect all U.S. waters around the Pacific Remote Islands" to accomplish the President's 30x30 goal. 100 However, the Pacific Remote Island Area provides critical fishing grounds for tuna species for U.S. vessels in the South Pacific. Otherwise, vessels are restricted in fishing access to the high seas, and must pay thousands of dollars per day to fish within the exclusive economic zones (EEZ) of other nations. 101 According to the Western Pacific Regional FMC, since 2018, "the U.S. tuna purse seine fleet, which supplies the American Samoa tuna cannery, has dwindled from 38 vessels to 15 vessels today."102 If the Biden administration implements the MPA designation with

⁹⁴ Harold F. Upton & Eugene H. Buck, Cong. Research Serv., RL3215, Marine Protected Area: An Overview (Sep. 29, 2010), https://sgp.fas.org/crs/misc/RL32154.pdf.

¹⁵ Marine Protected Areas Center, *About Marine Protected Areas*, DEPT. OF COMMERCE & THE DEPT. OF THE INTERIOR, https://marineprotectedareas.noaa.gov/aboutmpas/#:~:text=A%20marine%20reserve%20or%20%22no,in%20these%20no%2Dta ke%20areas.

⁹⁶ Council on Environmental Quality, America the Beautiful 2023 Annual Report, U.S. DEPT. OF THE INTERIOR (Jan. 26, 2024), https://www.doi.gov/media/document/america-beautiful-2023-annual-report.

⁹⁸ *Id*.

⁹⁹ Taotasi Archie Soliai, Op Ed: Expanding Existing PRI Monument Will Negatively Impact the American Samoa Economy, SAMOA NEWS (May 23, 2023), https://www.samoanews.com/opinion/op-ed-expanding-existing-pri-monument-will-negativelyimpact-american-samoa-economy#:~:text=That%20means%20less%20fish%20will,islands%2C%20atolls%2C%20and%20reefs. 100 FACT SHEET: Biden-Harris Administration Takes New Action to Conserve and Restore America's Lands and Waters, THE WHITE HOUSE (Mar. 21, 2023) https://www.whitehouse.gov/briefing-room/statements-releases/2023/03/21/fact-sheet-bidenharris-administration-takes-new-action-to-conserve-and-restore-americas-lands-and-waters/.

¹⁰¹ Potential Economic and Political Fallout of Tuna Fishery Closures in Proposed PRIA Sanctuary, WESTERN PACIFIC REGIONAL FISHERY MANAGEMENT COUNCIL (Jun. 8, 2023), https://www.wpcouncil.org/wp-content/uploads/2023/06/1-Potential-Economic-and-Political-Fallout-of-Tuna-Fishery-Closures-in-Proposed-PRIA-Sanctuary.pdf.

¹⁰² Pacific Remote Islands Marine National Monument Expansion Proposal, WESTERN PACIFIC REGIONAL FISHERY MANAGEMENT COUNCIL (Aug. 24, 2022), https://www.wpcouncil.org/wp-content/uploads/2022/08/PIFN-Aug-2022-PRIMNM-Expansion-Proposal-FINAL high-res.pdf.

commercial tuna fishing restrictions, it will force the remaining U.S. purse seiner fleet to either discontinue operations, or fish farther away waters and deliver their catch to foreign ports. ¹⁰³

Additionally, tuna fishing and processing is the main driver for the American Samoa economy, providing employment to approximately 5,000 of the 18,000-person workforce¹⁰⁴ – StarKist Tuna cannery is the largest employer in the territory.¹⁰⁵ If the proposed sanctuary were to prohibit tuna fishing, the tuna industry and the communities that depend on it would be decimated by the loss of revenue and fishing access.¹⁰⁶ For example, following the closure of one of the two canneries in American Samoa over a decade ago, American Samoa's gross domestic production of tuna fell by 25 percent.¹⁰⁷

MPA designations also conflict with the gold standard for fisheries management, the Magnuson-Stevens Fishery Conservation and Management Act (MSA), ¹⁰⁸ which established eight regional Fishery Management Councils (FMC) to apply national standards, prepare fishery management plans to prevent overfishing, rebuild overfished stocks, facilitate long-term protection of essential fish habitats, realize the full potential of the Nation's fishery resources, and establish regulations for fisheries that require conservation and management. ¹⁰⁹ Instead of the FMCs guiding fisheries management as intended under the MSA, the White House is skirting their authority through MPA designations that can outright ban commercial fishing without justification. ¹¹⁰ In a letter to former Secretary of Commerce Wilbur Ross, the FMCs stated:

Designations of marine national monuments that prohibit fishing activities—especially those that did not receive adequate economic and social impact review and did not allow for a robust public review process—have disrupted the ability of the Councils to manage fisheries throughout their range as required by MSA and in an ecosystem-based manner. Marine monument designations have the potential to be counterproductive to achieving domestic fishery management goals. 111

IV. CONCLUSION

President Biden has transformed CEQ's role from overseeing NEPA compliance to implementing his radical eco-agenda, remaking federal agencies as vehicles of social change, and leading the war on domestic energy production. A bureaucratic morass of various agencies, offices, and councils report to and take directions from CEQ. At the same time, CEQ's role in implementing executive orders and rulemaking vastly exceeds its statutory role and prescribed authority. CEQ has chosen to weaponize NEPA to carry out the Biden administration's radical

 104 *Id*

 $^{^{103}}$ *Id*.

¹⁰⁵ Angelina Tan, *Biden's Expansion Of US Pacific Marine Sanctuaries Pushes Tuna Fishing Industry Towards China*, MARITIME FAIRTRADE (May 3, 2023), https://maritimefairtrade.org/bidens-expansion-of-us-pacific-marine-sanctuaries-pushes-tuna-fishing-industry-towards-china/.

¹⁰⁶ Potential Economic and Political Fallout of Tuna Fishery Closures in Proposed PRIA Sanctuary, WESTERN PACIFIC REGIONAL FISHERY MANAGEMENT COUNCIL (Jun. 8, 2023), https://www.wpcouncil.org/wp-content/uploads/2023/06/1-Potential-Economic-and-Political-Fallout-of-Tuna-Fishery-Closures-in-Proposed-PRIA-Sanctuary.pdf.

¹⁰⁷ Id

¹⁰⁸ 16 U.S.C. 1801 et seq.

¹⁰⁹ 16 U.S.C. 1801(a)(6)

¹¹⁰ Letter to Secretary of Commerce Wilbur Ross, U.S. REGIONAL FISHERY MANAGEMENT COUNCILS (May 29, 2020). http://www.wpcouncil.org/wp-content/uploads/2020/05/29May2020CCCLettertoDOCSec_final-1.pdf.
¹¹¹ Id.

environmental justice agenda rather than abide by the Fiscal Responsibility Act's significant NEPA and permitting reforms—reforms that will make it easier to build in America, speed up timelines for critical infrastructure projects, and reduce the burden on taxpayers by creating efficiencies in the permitting process. Additionally, CEQ must be held accountable for its improper intimate relationship with SBTi and other environmental activist groups.