



Support Incentives and Appropriate Transition Time for Decarbonizing the Supply Chain

Action Needed:

Congress must ensure:

(1) that the work industry has done in the field of EPDs is not ignored and that any effort by the EPA to develop and standardize EPDs under IRA Sec. 60112 includes industry and its input;

(2) that the funding provided in the IRA for low emission construction materials is in large measure used to incentivize materials' markets while ensuring the materials' performance; and

(3) that a sufficient transitionary time is allowed, and sensible waiver process established via pilot programs.

Background:

Under Executive Order 14057 and provisions of the Inflation Reduction Act (IRA), federal agencies are looking at "Buy Clean" programs that would force material/product choices based on embodied carbon using Environmental Product Declarations (EPD). Initiated voluntarily by industry for several years, EPDs present general information about the environmental attributes of a product, including the carbon emissions associated with its development.

While EPDs are a tool for measuring embodied carbon, they can be varied in their approach, do not provide a full life cycle assessment, and are not universal. In addition, EPDs have limited functionality for making or comparing important design choices (such as for safety or performance) or calculating the embodied carbon of an entire infrastructure project—and/or comparing it to another project.

Buy Clean programs are new. They have not been fully implemented even in the limited states including California—that have begun to introduce them. Their impact on the supply chain is unknown. As is whether they will require more staff to administer and change traditional roles within the infrastructure development team---possibly resulting in new professional services or roles for the general contractor (e.g., a new environmental review akin to determining how to actually build a project) and introducing risk.

AGC Message:

- Support Appropriate Transition Time for the Supply Chain. AGC recognizes the value that life cycle analysis of materials can bring to the green building process. AGC supports a measured approach that will lessen the stress on supply chains and ensure materials reliability and performance—which is crucial for the safety of public and private infrastructure projects. The uncertainties associated with Buy Clean programs could have serious implications if approached in a rushed/haphazard manner. AGC recommends a phased approach that makes use of pilot programs.
- Support Incentives to Promote Greater Efficiency. Recognizing the proactive role that industry has played in the development and adoption of EPDs, AGC encourages market-based incentives associated with embodied carbon. Furthermore, the government should continue to include industry in the EPD process moving forward, reward private sector innovation, and recognize the importance of consensus-based processes for industry standards.