

The logo for 4A's, featuring a large white 'A' with a red outline and a red 's' to its right, set against a background of red and blue geometric shapes.

4A's

U.S. Legislation* Training Session

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EVP, Government Relations & Sustainability, 4A's

** Legislation, Regulation, And Judicial Proceedings*

01/23/24

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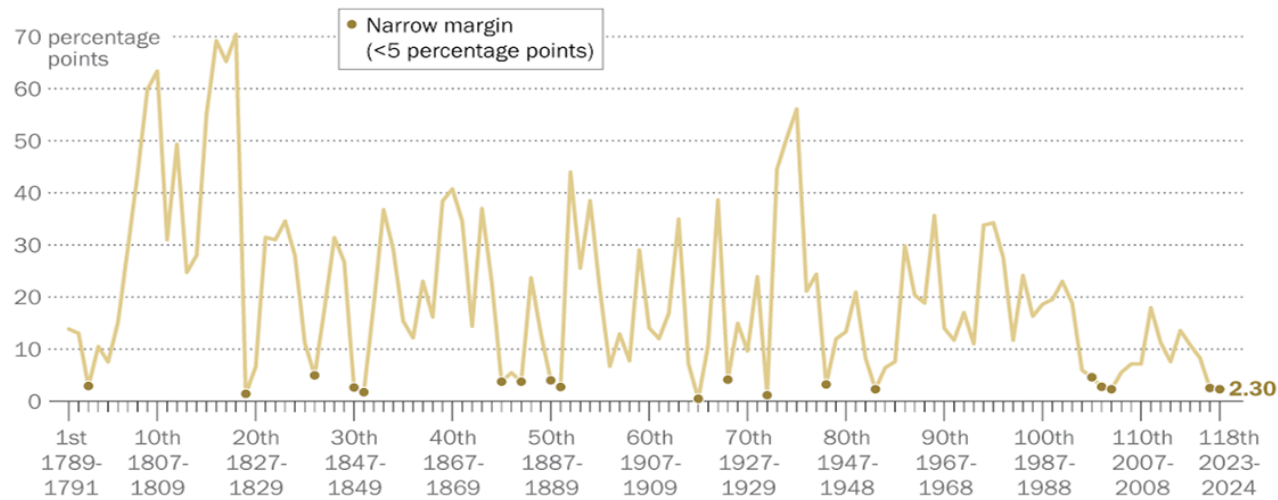
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The End Of Chevron Deference?

Gridlock In Congress – Inflation Reduction Act Is Probably It For Awhile

Narrow majorities in the U.S. House are nothing new

Majority party's margin of control (in percentage points)



Notes: Party divisions and margins of control are as of the date the House first convened to organize and transact legislative business. In the 65th Congress, the majority consisted of 213 Democrats and four minor-party members.

Source: Pew Research Center analysis.

PEW RESEARCH CENTER

Securities And Exchange Commission



In March 2022, the SEC proposed requiring publicly listed companies to disclose climate risks, including their Scope 3 emissions when they are "material" and when companies have set reduction targets for them. The agency said such information is important for investors' due diligence.

The SEC received over 6,000 comments during the public commentary period.

White House Rules For Federal Contractors

Federal Contractors		Federal Supplier Climate Risks and Resilience Proposed Rule Requirements		
Segment	Annual Federal Obligations	Scope 1, Scope 2, and relevant categories of Scope 3 emissions in alignment with the GHG Protocol Corporate Standard	Climate Risks assessed in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)	Emissions reduction target validated by the Science Based Targets Initiative (SBTi)
Major Contractors	>\$50M	Yes (through CDP)	Yes (through CDP)	Yes (through SBTi)
Significant Contractors	>\$7.5M-\$50M	Yes (Scope 1 and Scope 2 only)	No	No
Other Contractors	<\$7.5M	No	No	No

Federal Trade Commission Green Guides



Submitted via Regulations.gov

April 24, 2023

Federal Trade Commission
Office of the Secretary
500 Pennsylvania Avenue, NW
Suite CC - 5610 (Annex J)
Washington, DC 20580

RE: Green Guides Review, Matter No. P954501

The American Association of Advertising Agencies (“the 4A’s”) is pleased to provide feedback on proposed revisions to the Federal Trade Commission Guides for the Use of Environmental Marketing Claims (“Green Guides”).

I. Our Industry And Who We Are

The 4A’s was established in 1917 to promote and advance the interests of our member agencies and the advertising and marketing industries overall. Today, the organization serves more than 600 member agencies across 1,200 offices, which help direct more than 85% of total U.S. advertising spend. Advertising is a significant contributor to the U.S. economy.

By providing consumers with information on products and services, advertising fuels economic growth through its ability to support competitiveness. 2021 research from the IHS Markit found that advertising contributed \$7.1 trillion in business sales activity and supported 28.5 million U.S. jobs in 2020. Advertising and its multiplier effects represent 18.5 percent of U.S. gross domestic product (GDP) and nearly one-fifth of all American jobs in 2020. Furthermore, every dollar of ad spending supported nearly \$21 of sales, on average¹.

¹ IHS Markit, 2021, “The Economic Impact of Advertising in the US Economy 2018 - 2028”, https://na3253238-my.sharepoint.com/:document?e=1d4e77c8-4e1b-4b9e-925d-74d9d2f49e2b_MktWOU/MktWOU-vr8G9w7e-ZtFRK5.

Highlights Of Comments

- Carbon Offsets
- Energy Use/Energy Efficiency
- Sustainable
- Overlap/Conflict Of Laws

The Green Guides are **Guides** and not **Rules** – an important distinction.



California Climate Legislation

	SB 253	SB 261
Name	Climate Corporate Data Accountability Act	Climate-Related Financial Risk Act
Purpose	Requires large businesses to disclose their greenhouse gas emissions	Requires large businesses to disclose their climate-related financial risks
Affected Companies	All public and private companies with over \$1 billion in global revenue that do business in California	All public and private companies with over \$500 million in global revenue that do business in California
Disclosure Requirements	Scope 1, 2, and 3 greenhouse gas emissions, audited by a third party	Material climate-related financial risks and the actions the company is taking to reduce and adapt to them
Compliance deadlines	Scope 1 and 2 emissions by 2026, Scope 3 emissions by 2027.	Financial risk disclosures by 2025.
Enforcement	The California Air Resources Board (CARB) may impose civil penalties for violations of the law	CARB may impose civil penalties for violations of the law
Penalties for violations	Up to \$500,000 per violation	Up to \$25,000 per violation

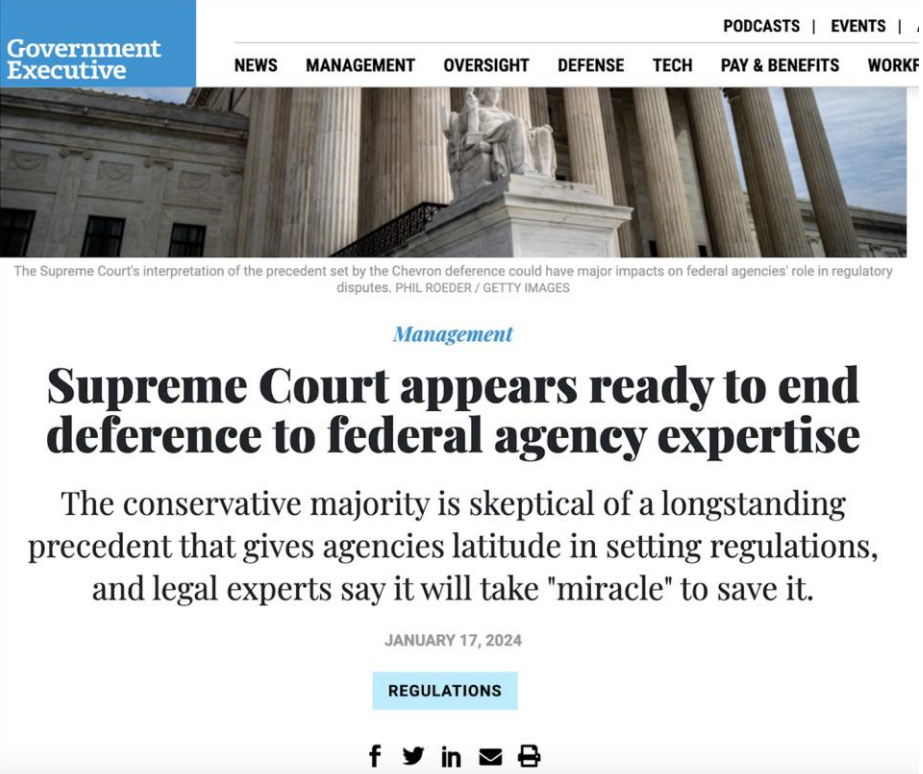
Source: Archer Integrated Risk Management



The End Of Chevron Deference?

The end of the Chevron deference will make it much harder for federal regulatory agencies to enact ambitious climate regulations without risking losing court challenges.

Much legislation in Congress is drafted with ambiguity – both intentionally and unintentionally. The lack of deference to subject matter experts at the federal regulatory agencies will make it difficult for agencies to enact new regulations not explicitly cited in legislation.



The screenshot shows a news article from Government Executive. The header includes the site name and navigation links for PODCASTS, EVENTS, NEWS, MANAGEMENT, OVERSIGHT, DEFENSE, TECH, PAY & BENEFITS, and WORK. The main image is a photograph of the Supreme Court building. Below the image is a caption: "The Supreme Court's interpretation of the precedent set by the Chevron deference could have major impacts on federal agencies' role in regulatory disputes. PHIL ROEDER / GETTY IMAGES". The article is categorized under "Management" and has the headline "Supreme Court appears ready to end deference to federal agency expertise". The sub-headline reads: "The conservative majority is skeptical of a longstanding precedent that gives agencies latitude in setting regulations, and legal experts say it will take 'miracle' to save it." The date is "JANUARY 17, 2024" and the category "REGULATIONS" is highlighted in a blue box. Social media sharing icons for Facebook, Twitter, LinkedIn, Email, and Print are at the bottom.

Government Executive

PODCASTS | EVENTS |

NEWS MANAGEMENT OVERSIGHT DEFENSE TECH PAY & BENEFITS WORK

The Supreme Court's interpretation of the precedent set by the Chevron deference could have major impacts on federal agencies' role in regulatory disputes. PHIL ROEDER / GETTY IMAGES

Management

Supreme Court appears ready to end deference to federal agency expertise

The conservative majority is skeptical of a longstanding precedent that gives agencies latitude in setting regulations, and legal experts say it will take "miracle" to save it.

JANUARY 17, 2024

REGULATIONS

f t in e p

The logo for 4A's, featuring a large, stylized white letter 'A' with a horizontal line through it, followed by the letters 's' in a smaller, italicized font. The background is a blue and red geometric pattern of 3D cubes.

4A's

QUESTIONS

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