



OFFICE OF INSPECTOR GENERAL
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
CONSUMER FINANCIAL PROTECTION BUREAU
WASHINGTON, DC 20551

October 29, 2013

The Honorable Henry A. Waxman
Co-Chair, Bicameral Task Force on Climate Change
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Ranking Member Waxman:

This letter is in response to the February 25, 2013, letter from the Bicameral Task Force on Climate Change (Task Force), which requested that the Office of Inspector General review how the entities we oversee are confronting climate change. As the Office of Inspector General of the Board of Governors of the Federal Reserve System (Board), we provided an initial response to the Task Force's letter on March 28, 2013, and this letter is our final response.

The first part of the Task Force's letter requested that we (1) identify the existing requirements in legislation, regulation, executive order, and other directives that apply to the Board; (2) assess whether the Board is meeting these requirements; and (3) make recommendations for improving the Board's performance if it is not fully meeting the requirements. The second part of the letter requested our assessment of (1) the authorities the Board has to reduce emissions of heat-trapping pollution, (2) the Board's authorities to make the nation more resilient to the effects of climate change, and (3) the most effective additional steps the Board could take to reduce emissions or strengthen resiliency.

In our initial response, we explained that we forwarded your request to the Board for its opinion on the applicability of federal climate change requirements and the status of its compliance with those applicable requirements. The Board's Legal Division is responsible for determining the federal climate change requirements to which the Board is subject.

The Board's response to the OIG's inquiry stated that it is not legally required to comply with the provisions of the Energy Independence and Security Act of 2007, the Energy Policy Act of 2005, Executive Order 13514, or Executive Order 13423.¹ Specifically, the Board's Legal Division determined that section 10 of the Federal Reserve Act grants the Board sole control

1. The Task Force's request specifically identified the Energy Independence and Security Act of 2007 and Executive Order 13514 as existing requirements that mandate federal agencies to carry out policies to address climate change. In addition to these two requirements, the Board also provided a determination regarding the applicability of the Energy Policy Act of 2005 and Executive Order 13423.

over its buildings and the space therein, as well as control over its obligations and expenditures. According to the Board, because these laws and executive orders would require it to spend funds in a specified manner and to make changes to Board-owned buildings or the space therein, they conflict with the Board's authority under the Federal Reserve Act.

Notwithstanding this determination, the Board's response described the following climate change initiatives it has voluntarily undertaken:

- The initial designs for a full renovation of the William McChesney Martin Building are in accordance with the tenets of sustainable and environmentally sensitive design, including characteristics such as a high level of energy efficient mechanical and electrical systems, increased building envelope insulation, storm water management improvements, and environmentally sensitive materials usage.
- The Board has implemented single-stream recycling programs in Board-owned buildings.
- Seven of the eight vehicles in the Board's official motor fleet are flex-fuel vehicles and are routinely fueled with E85, a mixture of 85 percent ethanol and 15 percent gasoline.
- The contractor that operates the Board's shuttle service replaced all of its shuttle buses with low-emissions buses in 2012.
- The Board provides its employees and contractors with training opportunities on environmental and sustainable practices.
- The Board regularly purchases Energy Star-qualified computers and monitors.

For the purposes of the Task Force's request, we have summarized the Board's response to our inquiry. We recognize the financial and environmental risks that climate change poses to the federal government, and we will consider additional reviews of the Board's climate change initiatives during our annual planning process. We provided Board officials with a draft of this letter and considered their comments as we prepared the final document.

Thank you for your interest in the work of the Office of Inspector General. If you have questions on this or any other matter, please contact me at 202-973-5005 or John Manibusan, Assistant Congressional and Media Liaison, at 202-973-5043. We are providing similar letters to the other Co-Chairs of the Task Force.

Sincerely,



Mark Bialek
Inspector General