

ALERT

FAR Council Withdraws Rulemakings on Pay Transparency and Contractor Disclosure of Greenhouse Gas Emissions

January 10, 2025

WHAT: The Federal Acquisition Regulatory Council (FAR Council) announced this week that it is withdrawing two proposed rules. First, it withdrew a January 2024 proposed rule that sought to prohibit government contractors from obtaining or considering past compensation information in employment decisions and require contractors to disclose compensation information in job advertisements for work related to government contracts. We covered that proposed rule and potential challenges contractors might face in its implementation [here](#). Second, the FAR Council announced the withdrawal of the November 2022 proposed rule that sought to require government contractors to disclose publicly their greenhouse gas emissions and climate-related risk, using third-party standards and systems. We covered that proposed rule [here](#). Both withdrawals cited the limited time remaining in the current Administration and the desire to allow agencies to incorporate the most current information in future rulemakings. For the greenhouse gas emissions proposed rule, the FAR Council noted the large volume of public comments on the proposed rule, which had identified policy issues and “evolving practices and use of standards in industry,” as well as the fact that different domestic and international standards had emerged since the publication of the proposed rule in 2022.

WHEN: The pay transparency proposed rule was withdrawn as of January 8, 2025. The withdrawal of the greenhouse gas emissions proposed rule is scheduled to be published in the Federal Register on January 13, 2025, and the withdrawal will be effective immediately upon publication.

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WHAT IT MEANS FOR INDUSTRY: For now, contractors can mark these potential obligations off their watch lists. But the issues may not be gone forever. The FAR Council left open the possibility of future rulemakings in both withdrawal notices and specifically highlighted its “anticipation of continued movement towards more uniform use of standards” on greenhouse gas emissions. In addition, contractors may continue to be covered by the U.S. Securities and Exchange Commission’s climate disclosure rule, which Wiley most recently covered here. The FAR Council’s actions may also signal a trend of withdrawals for other rulemakings that may have drawn significant public comments that cannot be addressed before the end of the Biden-Harris Administration.

Wiley’s Government Contracts and Environment & Product Regulation practices will continue to monitor developments in these areas and will provide additional alerts to help clients navigate these evolving policies.