

## ESG/Government Contracts/Construction ADVISORY

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### EPA Seeks Input on Launch of New Label Program for Low Embodied Carbon Construction Materials – More Than \$2 Billion in Federal Spending at Stake

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On February 15, 2024, the U.S. Environmental Protection Agency (EPA) published for public comment its [Draft Approach for Implementation of the EPA Label Program for Low Embodied Carbon Construction Materials](#). The Draft Approach seeks to develop standards for low embodied carbon construction materials and create a way to identify, certify, and label such material for inclusion in a central registry of certified products. The EPA is seeking comment from interested members of the public. The period for public comment ends on **March 15, 2024**. The EPA hosted a webinar on February 27, 2024 to solicit feedback on the Draft Approach.

#### Background

The EPA developed the Draft Approach under the [Inflation Reduction Act](#) (IRA), which directs the EPA “to develop and carry out a program... to identify and label construction materials and products that have substantially lower levels of embodied greenhouse gas emissions associated with all relevant stages of production, use, and disposal, as compared to estimated industry averages of similar materials or products,” and gave the EPA \$100 million to implement the program.

This labeling program is part of the [Federal Buy Clean Initiative](#), which directs the federal government, a spender of hundreds of billions of dollars on procurement each year, to prioritize the purchase of low embodied carbon construction materials in federal projects. These materials have less environmental impact because they use less carbon from production to disposal. Federal agencies have already committed to spending money on these low embodied carbon materials with the goal of achieving net-zero emissions for the federal government by 2050 while making historic investments toward upgrading transportation, buildings, and energy infrastructure. For example, [under the IRA](#), both the General Services Administration and Federal Highway Administration plan to spend \$2 billion on low embodied carbon materials in upgrading federal infrastructure. Similar to other federal programs, such as [Energy Star](#), which certifies and labels energy-saving products, this labeling program will inform the federal government and the public which materials are low embodied carbon construction materials and incentivize their purchase.

## The Draft Approach

The Draft Approach outlines the EPA's plan to determine the standards for low embodied carbon construction materials and how to label them. The Draft Approach provides three phases that a material will go through before certification under the labeling program:

- **Phase I: Data Quality Improvement.** The EPA will improve the quality of data used to determine whether a material qualifies for the label. This includes improving existing Environmental Product Declarations (EPDs), which provide data on the environmental and human health impact of a given material, and life cycle assessments (LCA) of a given material. The EPA will also develop EPDs by applying specific guidelines called Product Category Rules (PCRs) to LCA and other representative data for materials. The EPA has a new [webpage](#) that provides relevant information on PCR standards and related initiatives.
- **Phase II: Material Threshold Setting.** The EPA will determine “global warming potential” (GWP) thresholds for materials based on EPDs, material types, representative data, industry reports, and regional considerations.
- **Phase III: Certifying and Labeling Materials and Products.** The EPA will develop a way to identify and label low embodied carbon construction materials that meet or are below the GWP thresholds so that consumers can use that information when considering purchasing a material.

Stakeholders, including businesses that manufacture, produce, or use the products that will be subject to the new label program, are invited to submit public comment to aid the EPA in developing the Draft Program, including:

- Improving background and publicly available LCA data and developing key PCRs and EPDs.
- Determining “representative data” for a given material to aid in the determination of the GWP of that material or product.
- Determining the GWP for a particular product or material based on other relevant factors.
- Establishing conformity criteria and processes for the certification phase, including whether processes used by other EPA programs, such as Energy Star or [WaterSense](#), should be applied here.
- Any other input, information for consideration, or questions on the Draft Program.

## Takeaway

As with Energy Star, WaterSense, and [Safer Choice](#), the label program has the potential to define the growing market for environmentally friendly construction materials and drive consumers and commercial buyers toward products that meet the standards developed by the EPA. If implemented, the Draft Approach will set a standard and certification process likely to impact demand and growth for businesses and products across the industry. The current comment opportunity is the best – and potentially only – opportunity to ensure the EPA considers all relevant information when setting these new standards. Interested parties should review the Draft Approach and consider commenting because their expertise in their products and experience with regional or industry-specific considerations will be helpful to the EPA in developing the standards and will ensure representation across the industry in the EPA's deliberations.

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