



April 12, 2026

California Air Resources Board
1001 I St.
Sacramento, CA 95814

Submitted electronically

RE: Public Comments to March 23, 2026 Climate Disclosure Workshop

The undersigned organizations represent thousands of employers in the logistics and supply chain industries. We'd like to thank the California Air Resources Board for the opportunity to provide feedback on the March 23, 2026 Climate Disclosure Workshop.

February 2026 Board Hearing Outcomes

- **Are there topics from the initial regulation adopted at the February 2026 Board hearing that need to be revisited, including reporting deadlines post 2026, applicability definitions, and/or exemptions?**

Yes, we strongly recommend CARB revisit the reporting deadline of August 10th for future reporting years. As explained in the assurance section, CARB's regulation will increase the demand for verification services, creating potential bottlenecks as companies (particularly privately held companies) report or obtain assurance for the first time and reporting entities who had not previously disclosed Scope 3 emissions are required to do so by the regulation.

Additionally, there are numerous reasons why a reporting entity's report may be delayed, including delays in data from third party sources, increased complexity from mergers and acquisitions, etc. Also, data quality decreases with tighter deadlines.

We strongly encourage CARB to set either a rolling 12-month reporting deadline from the end of a reporting entity's fiscal year or a December 31st deadline for reporting entities with fiscal years ending prior to March 1st. In all instances, CARB must provide flexibility provisions to ensure that reasonable delays in reporting can be accounted for without imposing penalties.

Proposed Approach for Setting Organizational Boundaries

- **Are there other approaches to organizational boundary setting that CARB should consider?**

No. We recommend CARB align with the GHG Protocol through the proposed approach to allow companies to choose the organizational boundary that best reflects their business.

- **How should entities explain their choice of organizational boundary?**

Entities should only be required to state their chosen boundary to contextualize their provided emissions figures. No justification or additional explanation should be required.

Proposed Adjustments to Scope 1 and 2 Reporting (starting in 2027)

- **What additional information for Scope 1 and 2 reporting should CARB consider when developing final reporting templates?**

CARB should not require using a set template for reporting under SB 253. Completing the template on top of additional reporting required by other stakeholders duplicates efforts and creates additional administrative burden.

However, if a template is required it should be limited to the data points expressly required by the law and required under established frameworks like the GHG Protocol. Supplemental.

CARB should ask entities to disclose only gross global Scope 1 and 2 emissions in CO₂e, not as disaggregated individual gases. Disaggregating existing inventories will be challenging and would require further data verification which would increase the already extensive data review burden reporting entities face when compiling their inventories.

The GHG Protocol allows for reporting emissions data by emission source where this aids transparency. However, doing so is optional. CARB should align its reporting requirements by leaving these disclosures optional. Further, CARB should also not require reporting of individual covered GHGs by emission source, as this is not required by the GHG Protocol.

CARB's draft template also included several other items that are voluntary or a flexibility option under the GHG Protocol, such as the disclosure of Scope 1 emissions intensity per million dollars in revenue. In this case, the GHG Protocol allows companies flexibility to report intensity metrics that make sense for their business, such as output, sales, revenue or footprint. Including such flexibility options as required reporting fields fundamentally alters a reporting entity's disclosure efforts. CARB should only request information be disclosed in alignment with the GHG Protocol.

CARB should also not add options to report emissions reductions or avoidance. Reporting of emissions reduction initiatives should remain optional due to challenges with getting the data needed to accurately calculate actual emissions reductions achieved. Data may be unavailable for many reasons outside a reporting company's control, such as being held by a third-party or not tracked in a way to facilitate analysis (i.e., some data available but lacks the necessary data

points to calculate emissions reductions). Requiring this disclosure would ultimately increase either the data verification burden placed on companies or potentially result in inaccurate disclosures were based on faulty data or inconsistent methodology from reporting entity to reporting entity.

Proposed Flexibility for GHG Accounting Methods

- **What accounting methods does your organization currently use for Scope 1, 2, and 3 GHG emissions?**
- **Should CARB consider allowing other accounting methods? If so, which ones and why?**

CARB should include the four accounting methods detailed in the GHG Protocol as proposed. However, CARB should change the name of the “activity-based” method to “average data” for alignment with the GHG Protocol or otherwise indicate that they are the same.

CARB should also add the more precise methodologies detailed in the GHG Protocol (e.g. fuel-based, distance-based) to maintain alignment with the GHG Protocol as well as reports, such as Climate Disclosure Project, that allow for that level of specificity.

CARB should also retain the flexibility allowed by the GHG Protocol to use whichever of the accounting methods detailed therein best fits an entity’s operations and data. The GHG Protocol’s consideration that data availability can vary per and within each scope 3 category is critical to being able to calculate scope 3 emissions.

Proposed Emission Factor Datasets

- **What criteria should emission factors meet to be used in this program?**

Any emission factor that is allowed under the available assurance standards already identified by CARB in their proposal should be available to reporting entities.

- **How should reporters document and explain their use of a particular emission factor, including proprietary models?**

CARB should not require entities to report or explain their selection of emission factors directly to CARB. Entities review their use of emission factors as part of the verification and assurance process. It should be left up to verifiers to review the applicability of certain emission factor sets to an entity’s inventory. Further, some entities may be using hundreds of different factors in their analysis, so requiring entities to report and explain each factor could create significant administrative burden for more complex inventories.

- **How should reporters document and explain when changing EFs from a prior year?**

CARB should not require entities to explain changes in the emission factors they used the prior year. Entities review their use of emission factors as part of the verification and assurance process, so it should be left up to verifiers to review these changes during that process.

Scope 3 Reporting Options

We would first like to strongly oppose Option 2 as this option would create an uneven playing field for certain reporting entities. Second, we would like to strongly encourage CARB to apply broad enforcement discretion to Scope 3 emission reporting for all reporting entities for the initial reporting years or, further, consider formal rule language that would omit penalties for reporting entities making good faith efforts to report Scope 3 emissions.

As reporting entities who are already reporting Scope 3 emissions will attest, Scope 3 emission inventories are complicated to construct due to the reach and scope of an entity's value chain and are subject to iteration and improvement in a process over time that involves both the reporting entity and the assurance provider over as experience and data quality improve. The GHG Protocol's Scope 3 Guidance itself recognizes the iterative nature of Scope 3 reporting:

“Collecting data, assessing data quality, and improving data quality is an iterative process...In the initial years of scope 3 data collection, companies may need to use data of relatively low quality due to limited data availability. Over time, companies should seek to improve the data quality of the inventory by replacing lower quality data with higher quality data as it becomes available.”

We strongly discourage CARB from imposing overly prescriptive standards on Scope 3 reporting, including numerical de minimis thresholds or determinations of what information is or is not feasible to collect or material to investors decisions.

- **Option 1: Broad Applicability**

- **Should reporting entities be able to report as de minimis certain categories due to lack of relevance/materiality and/or feasibility?**

Yes, entities should be able to report categories as de minimis for any of the reasons outlined in the question.

- **What specific thresholds, definitions, or decision frameworks should CARB use to determine when a Scope 3 category is considered de minimis to be reported?**
- **How should CARB weigh reporting flexibility against alignment with current mandatory and voluntary practices and other international standards?**

CARB should remain flexible on scope 3 reporting requirements as entities work to build complete and accurate inventories, which can take significant time and effort. Entities should be able to indicate that categories are relevant but not yet calculated while they continue to develop their inventories.

- **Option 2: Sectoral Phase-In**
 - **Are these sectors the appropriate starting point for a phased approach to Scope 3 reporting?**
 - **What factors should CARB consider in confirming or adjusting this prioritization?**

No, CARB should not utilize an approach that requires certain industries to report before others.

First, this option would require CARB to determine which entities fall into these sectors, and the approach they take may not align with reality. For example, many companies operate in multiple sectors, and their NAICS code or other classification may not accurately reflect all the sectors in which they operate. This may end up excluding some entities who fall within one of the identified sectors for reporting while requiring their peers to report.

Second, emissions associated with these sectors are not necessarily more readily available, as CARB assumes. For example, it can be difficult to gather and validate the primary data needed to calculate emissions from outsourced or brokered transportation depending on the technological or reporting capabilities of the provider.

Third, many entities outside of these sectors also have scope 3 emissions that exceed their scope 1 and scope 2 emissions.

Finally, the text of SB 253 does not provide CARB with the ability to carve out certain reporting entities from the requirement to report Scope 3 emissions. Doing so would create competitive imbalances between reporting entities.

- **Option 3: Category Phase-In**
 - **Are these the appropriate categories to prioritize for initial reporting based on data availability and relevance across sectors?**

If CARB selects this option, reporting entities should have the option to indicate whether a category is de minimis or not relevant where appropriate.

Assurance

- **What cost ranges are reporting entities currently experiencing for limited assurance engagements?**
- **What factors are driving assurance costs, and how do costs vary across entity size, sector, and assurance level?**

Assurance costs vary from \$40,000 to \$100,000 and can increase for a variety of reasons, including increases in assurance provider's own costs, shifts in reporting methodology and complexity and supply and demand. Assurance providers are already indicating that regulatory requirements to report Scope 3 reporting will increase demand for assurance providers and are resulting in increased costs.

We recommend CARB consider staggered deadlines set on a rolling 12 months following the end of a company's fiscal year to avoid creating assurance provider bottlenecks.

Conclusion

Thank you for the opportunity to provide CARB feedback. If you have any questions, please contact Chris Shimoda at chris@shimodagov.com.

Thank you,

American Trucking Associations

California Trucking Association

Pacific Merchant Shipping Association

Supply Chain Federation