



SCI SHARED RESOURCES, LLC
1929 ALLEN PARKWAY
HOUSTON, TEXAS 77019
TEL: 713-525-2842
EMAIL: JESSICA.VU@SCI-US.COM

March 21, 2025

Liane Randolph
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Public Comments to Inform Implementation of California Climate-Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219

Dear Chair Randolph,

Service Corporation International ("SCI"), North America's leading provider of deathcare products and services, operates 221 funeral homes and cemeteries throughout California. We are proud of the critical role we play supporting families during times of loss and are committed to adhering to regulatory requirements in the operation of our business so we may fulfill that role. Our commitment to environmental stewardship includes assessing our water usage, exploring environmentally innovative technology, recycling of waste materials, providing ecofriendly alternatives for families and protecting our 35,500 acres of green space.

In California, SCI's operations encompass urban and rural locations, each with unique environmental, economic, and logistical challenges. We believe our Company implements appropriate measures to mitigate its impact on the environment independent of Senate Bills 253 and 261 and object to these laws due to excessive cost, impracticality and applicability to entities that have tenuous ties to the State of California.

1. Cost Impacts and Operational Burdens

We strongly urge CARB to reconsider the scope of SB 253 and SB 261 to ensure they apply more narrowly to businesses that are either headquartered in California, conduct at least 50% or more of their business in the state (defined as percentage of overall revenue), or only require reporting on emissions directly released within California. Applying these extensive and costly reporting requirements to businesses with minimal ties to the state places an unfair regulatory burden on entities that may operate nationally or globally with only a modest portion of their activities occurring in California. By refining the scope of applicability, CARB can more effectively target emissions sources within the state while reducing unnecessary compliance costs for companies that have limited impact on California's environmental footprint.

The requirements of SB 253 and SB 261, particularly around Scope 3 emissions reporting and climate-related financial risk disclosures, are likely to impose significant costs, including:

- *Data Collection and Verification Costs:* Estimating Scope 3 emissions requires access to upstream and downstream supply chain data that is often unavailable, unreliable, or prohibitively expensive to obtain. The costs of engaging third-party verification providers or consultants far exceeds the value of the information to be provided.
- *Compliance Infrastructure:* Establishing internal processes to meet these requirements would divert critical resources from core operations, affecting the affordability and accessibility of our services to California residents.

The challenge of monitoring Scope 3 emissions requires highly sophisticated and costly data collection, supply chain coordination, and analytical resources that many companies currently lack. The cost of compliance for SCI's operations will

inevitably be passed down to consumers, raising the price of funeral services in a state where affordability is already a concern. Families in underserved communities could face increased hardship, exacerbating inequities.

2. Concerns with Standards and Alignment

We are concerned that CARB's reliance on external, non-governmental standards, such as those from the Greenhouse Gas Protocol or the Task Force on Climate-related Financial Disclosures (TCFD), creates significant uncertainty for reporting entities. Incorporating such third-party standards cedes too much authority to the agendas of international bodies that are not accountable to California citizens or regulated entities. These standards are subject to change without input from affected industries, which can lead to regulatory misalignment and shifting compliance targets.

CARB should establish a clear process to clarify which external standards apply in the California context. It is essential to ensure these standards reflect the unique characteristics of local industries and allow for long-term planning stability.

3. Applicability of SB 253 to Low-Emissions Industries, Including Funeral Homes and Cemeteries

The funeral and cemetery industry is not a significant contributor to greenhouse gas emissions. Emissions primarily result from cremation processes, cemetery equipment operations, and transportation. Crematories must already adhere to CARB's environmental regulations and are required to secure permits governing their emissions and operations.

Cemeteries and funeral homes have limited supply chains and downstream emissions, making Scope 3 reporting disproportionately burdensome and less impactful. The time, cost, and complexity of collecting data from suppliers and service providers significantly outweigh any environmental benefit.

Cemeteries, for example, operate primarily as land stewards, with emissions stemming from maintenance equipment (e.g., lawn mowers) and minimal Scope 3 activities. Funeral homes and cemeteries often lack the intricate supply chains that would justify such intensive reporting. CARB should exempt industries like funeral homes and cemeteries, whose emissions profiles fall below a reasonable threshold, from the more stringent requirements of SB 253, particularly Scope 3 reporting.

4. Assurance Providers and Verification Standards

SB 253's requirement for third-party verification or assurance providers creates additional financial strain on funeral homes and cemeteries. The cost of hiring assurance providers experienced in Scope 3 verification will likely increase costs to comply. The "reasonable assurance" standard currently defined in the Mandatory Reporting Regulation (MRR) is more appropriate for large-scale industries with robust compliance systems. Applying this standard uniformly to funeral homes and cemeteries, which are low-emission entities, imposes unnecessary costs.

CARB should consider adopting a tiered approach to verification, allowing low-emissions entities like cemeteries and funeral homes to meet a lower threshold of assurance, or elimination of Scope 3 emissions reporting for low-emission entities.

5. Cost Impacts and Broader Concerns

The implementation of SB 253 imposes significant financial and operational burdens on funeral homes and cemeteries, which are integral to their communities.

- *Rising Costs:* The costs associated with compliance—particularly for assurance providers and data collection—will inevitably lead to higher prices for funeral and burial services. This could disproportionately affect vulnerable populations, exacerbating inequities in access to these essential services.
- *Resource Diversion:* Compliance requirements will divert resources from meaningful environmental improvements, such as transitioning to electric cemetery maintenance equipment or upgrading cremation technology.

CARB should conduct a cost-benefit analysis to assess the impact of SB 253 on low-emissions industries, including cemeteries and funeral homes. CARB should also consider exemptions or modified requirements for entities that contribute minimally to GHG emissions.

Conclusion

The implementation of CARB's climate laws under SB 253 and SB 261 imposes significant financial and operational burdens on businesses. For many companies, these costs make it increasingly untenable to continue doing business in California. California's ambitious climate goals must be balanced with practical considerations to ensure the state remains an attractive and viable place for businesses. We urge CARB to consider our recommendations and to engage directly with stakeholders from the funeral and cemetery sectors to develop a more effective framework.

SCI appreciates the opportunity to present its views during this ongoing public comment period and would be pleased to provide additional information, if helpful.

Sincerely,

A handwritten signature in black ink that reads "Jessica Vu". The signature is fluid and cursive, with the first name "Jessica" being more prominent than the last name "Vu".

Jessica Vu

Senior Corporate Counsel to SCI Shared Resources, LLC,
a Service Corporation International Subsidiary