

Congress of the United States

Washington, DC 20510

April 11, 2022

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE, Washington, DC 20549-1090

RE: File No. S7-10-22

Dear Ms. Countryman:

We, the undersigned Members of Congress, have significant concerns with the Securities and Exchange Commission's (SEC) proposed rule on "The Enhancement and Standardization of Climate-Related Disclosures for Investors." This proposal would require publicly traded companies to disclose their climate-related risks, report greenhouse gas emissions, and report possible financial effects of climate change. We urge you to immediately table this rule.

Not only would this proposal add additional red tape and bureaucracy that would be extremely burdensome, if not impossible, for many public companies to fully comply with, but it would also far exceed the authority that Congress explicitly granted the SEC. The SEC cannot and should not mandate such public disclosures of information that strays from the "core purpose of disclosure, [which] is to provide investors with the information they need to make informed investment and voting decisions," which "allow[s] our capital markets to flourish."¹ It is apparent that, as we have recently seen, this information would only be used to smear these companies.

This proposal would drastically disrupt the current disclosure regime. Current SEC disclosure mandates are intended to provide investors with insightful material information into a company's performance. SEC Commissioner Peirce emphasized that this proposal, instead, would tell "corporate managers how regulators, doing the bidding of an array of non-investor stakeholders, expect them to run their companies."² This would force everyday investors to view companies through a tinted lens, obscured by the demands of vocal stakeholders "for whom a company's climate reputation is of equal or greater importance than a company's financial performance."³ Ultimately, the SEC's actions would act to undermine and shame public companies, not to provide investors with necessary financial disclosures.

¹ SEC Chair Mary Jo White, *The Path Forward on Disclosure* (Oct. 15, 2013) available at <https://www.sec.gov/news/speech/spch101513mjw#:~:text=The%20core%20purpose%20of%20disclosure,our%20capital%20markets%20to%20flourish.>

² SEC Commissioner Hester M. Peirce Statement - We are Not the Securities and Environment Commission - At Least Not Yet (Mar. 21, 2022), available at <https://www.sec.gov/news/statement/peirce-climate-disclosure-20220321>.

³ *Id.*

Furthermore, at a time of global turmoil, when energy prices are at decade highs, how would this rule be beneficial to American citizens? Simply wrapping climate activism in financial regulation will only further exacerbate our current energy crisis and do nothing to help everyday Americans heat or cool their homes or lower prices at the gas pump. Instead, we need to refocus our attention on domestic energy production and wean ourselves off energy from hostile nations. Additional “climate” regulations will only hinder our ability to achieve this goal. Given the current global and domestic circumstances, the administration should be focused on making the basic necessities of life less expensive, not more.

The SEC has proposed disclosures that are outside of its historical purview in order to engage in environmental policy. It is, however, the role of Congress – and, importantly, not the role of financial regulators – to set climate-related policy, balancing interests and engaging with stakeholders to appropriately move us to a more energy-efficient nation. This Administration must end its assault on American businesses and the rule of law in the name of an immediate and expensive transition to a “Green New Deal” agenda.

Sincerely,



Ted Budd
Member of Congress



Ralph Norman
Member of Congress



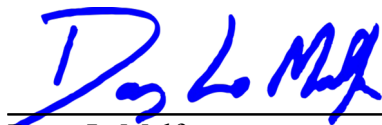
Dan Bishop
Member of Congress



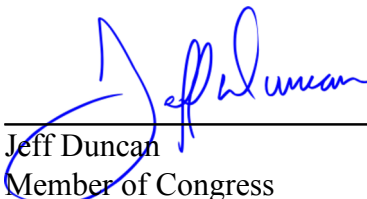
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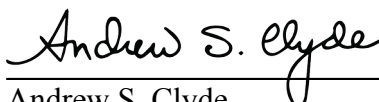
Tom McClintock
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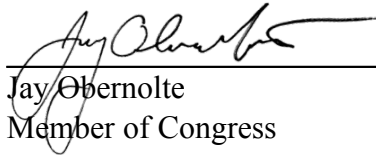
Andrew S. Clyde
Member of Congress



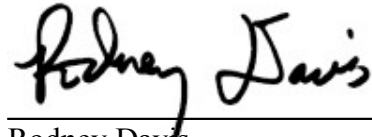
C. Scott Franklin
Member of Congress



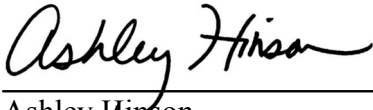
Ben Cline
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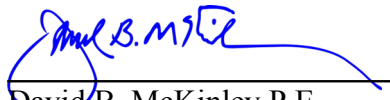
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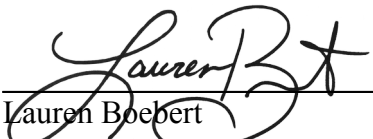
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