

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

October 5, 2026

The Honorable Paul S. Atkins
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

RE: Comments on Proposed Rescission of Climate-Related Disclosure Rules (File No. S7-2026-19)

Dear Chairman Atkins:

We write to express our strong opposition to the U.S. Securities and Exchange Commission's (the "Commission") recent proposal to rescind the March 2024 climate-related risk disclosure rules¹ in their entirety (the "Rescission").² At a time when climate-related events are increasingly more common and disruptive to the operations and profitability of companies—as most recently experienced with the wildfire smoke engulfing the central and northeastern United States³—the Commission must uphold its core duty of investor protection by ensuring the market has clear, standardized transparency around the very real and material risks climate change and greenhouse gas emissions pose to corporate performance. Stripping away these rules denies investors the information they need to accurately assess a company's long-term value and to make sound, well-informed decisions with their hard-earned money.

A. Congress Granted the Commission a Mandate to Determine the Scope of Public Company Disclosures

This Commission, as previous critics of the SEC's original climate disclosure proposal have noted,⁴ wrongly argues that the prior Commission exceeded its statutory authority when it prescribed the breadth and type of disclosure requirements outlined in the rules.⁵ The proposal is a

¹ SEC, ["The Enhancement and Standardization of Climate-Related Disclosures for Investors"](#) (Release No. 33-11275) (File No. S7-10-22) (Mar. 28, 2024).

² SEC, ["Rescission of Climate-Related Disclosure Rules"](#) (Release Nos. 33-11421; 34-105572) (File No. S7-2026-19) (May 29, 2026) (the "Rescission").

³ The Associated Press, [Heavy smoke from wildfires blankets the US Midwest and Northeast, prompting evacuations](#) (Jul. 15, 2026).

⁴ See, e.g., U.S. Chamber of Commerce, [Letter to SEC Secretary Vanessa Countryman Re: File Number S7-10-22, "The Enhancement and Standardization of Climate-Related Disclosures for Investors"](#) (June 16, 2022), at 8 ("[t]he Proposed Rules exceed the Commission's statutory authority. The SEC does not have general authority to impose climate- and environmental-focused regulation in the comprehensive fashion contemplated by the Proposed Rules.").

⁵ Rescission at 6-7 ("The Final Rules were a dramatic overreach of the Commission's statutory authority"; "we propose to rescind the Final Rules in their entirety because they exceed the statutory limits on the Commission's disclosure authority").

willful misreading of the SEC’s long-tested authorities. There are numerous instances within the Securities Act of 1933 (the “Securities Act”) and Securities Exchange Act of 1934 (the “Exchange Act”) where Congress provided the SEC with a mandate to determine the types of disclosures public companies must provide to investors.⁶ The most prominent is Schedule A of Section 7 of the Securities Act, which lays out 32 categories of information that companies must include in their SEC registration statements.⁷ Regarding this Schedule, Congress explicitly delegated to the SEC the ability to mandate disclosure of “such other information [...] as the Commission may by rules or regulations require as being necessary or appropriate in the public interest or for the protection of investors.”⁸ Similarly, Section 10(c) of the Securities Act provides a standing, unqualified authority to the SEC to require that “Any prospectus shall contain such other information as the Commission may by rules or regulations require as being necessary or appropriate in the public interest or for the protection of investors.” Section 12 of the Exchange Act conditions trading of securities on exchanges on disclosing “such information, in such detail, [...], as the Commission may by rules and regulations require, as necessary or appropriate in the public interest or for the protection of investors[...].”⁹ And Section 13(a)(2) of the Exchange Act, which establishes the periodic reporting framework for public companies, requires them to disclose on a quarterly and annual basis information that the Commission “may prescribe as necessary or appropriate for the proper protection of investors.”¹⁰ These provisions do not exhaust the Commission’s disclosure authority. Section 14(a) of the Exchange Act separately empowers the Commission to require the disclosures investors need to exercise their voting power on an informed basis, an independent source of authority that the Rescission never even addresses.¹¹

Congress—if it objects—has had plenty of opportunity to legislatively restrict the SEC’s delegated authority to create new disclosure requirements, but has so far chosen not to do so.¹² Importantly, there is precedent outlined by the D.C. Circuit’s 1979 decision in *Natural Resources Defense Council (NRDC) v. SEC*, which recognized that the SEC’s statutory mandate to act in the public interest grants it discretionary power to require disclosures *beyond* those explicitly required by Congressional statute.¹³ The Courts have placed considerable emphasis on Congress’s intention to defer to agency expertise when it comes to disclosure matters: “[r]ather than casting disclosure rules in stone,” the D.C. circuit stated, “[the] Congress [that drafted the Securities Act] opted to rely on the discretion and expertise of the SEC for a determination of what types of additional disclosure would be desirable.”¹⁴

⁶ Jill E. Fisch and George S. Georgiev, [Comment Letter to SEC re: Enhancement and Standardization of Climate-Related Disclosures for Investors](#) (Jun. 6, 2022), at 2.

⁷ *Id.* at 6 (referring to Schedule A of Sec. 7 of the 1933 Securities Act).

⁸ Securities Act §7(a)(1).

⁹ Jill E. Fisch and George S. Georgiev, Donna M. Nagy, and Cynthia A. Williams, on behalf of thirty securities law scholars,, [Comment Letter to SEC re: Enhancement and Standardization of Climate-Related Disclosures for Investors](#) (Jun. 6, 2022), at 2.

¹⁰ *Id.*

¹¹ See Jill E. Fisch, George S. Georgiev, Donna M. Nagy, and Cynthia A. Williams, on behalf of thirty securities law scholars, [Comment Letter to SEC re: Enhancement and Standardization of Climate-Related Disclosures for Investors](#) (Jun. 6, 2022), pt. 1 (“[T]he Commission’s disclosure authority extends not just to information relevant to investor trading decisions but also to information used by investors in connection with the exercise of their voting power.”).

¹² Jill E. Fisch and George S. Georgiev, [Comment Letter to SEC re: Enhancement and Standardization of Climate-Related Disclosures for Investors](#) (Jun. 6, 2022) at 8.

¹³ *Id.*, citing *Nat. Res. Def. Council, Inc. v. SEC*, 606 F.2d 1031, 1045 (1979) (“the Commission has been vested by Congress with broad discretionary powers to promulgate (or not to promulgate) rules requiring disclosure of information beyond that specifically required by statute.”)

1. Congress did not limit this mandate to include only material information.

The Rescission’s central claim that Congress silently restricted mandatory disclosure to items “central to an understanding of the company’s business or financial characteristics”¹⁵ is flat out wrong. As former SEC General Counsel John C. Coates (who has testified before the House Financial Services Committee on the matters discussed in this letter), former SEC Acting Chair Allison Herren Lee, and Professors John C. Coffee, Jr., James D. Cox, Merritt B. Fox, and Joel Seligman explain in their comment letter opposing the Rescission (the “Coates Letter”), the words “material,” “financial,” and “central” appear nowhere in Section 7—even though Congress used “material” 43 times elsewhere in the Securities Act—and “[i]n the nearly 90 years since the Act was adopted no court has found such a limit.”¹⁶ Tellingly, the Rescission derives its newly discovered limits from dicta in cases about the Federal Communications Commission and the Federal Arbitration Act—while never mentioning *NRDC v. SEC*, the decision that directly upheld the Commission’s environmental disclosure authority.¹⁷ Congress knows how to write limits on delegated authority; where it intended limits—by materiality or otherwise—it wrote them into the statutory text. It wrote none here, and it is not the Commission’s role to invent restrictions Congress declined to impose.

Under *Loper Bright Enterprises v. Raimondo*, the meaning of the statutes Congress enacts is a question for the courts, and the Commission’s reading earns weight only through expertise and consistency, both absent here: nothing in the governing statutes, case law, or legislative history has changed since March 2024, and Congress has amended neither the Securities Act nor the Exchange Act. The only thing that has changed is the composition of the Commission.¹⁸

The contrast in process is equally stark. The Final Rules were the product of an exceptionally deliberative record: more than 4,500 unique comment letters, more than 10,000 form letters, and 372 meetings between Commission officials and market participants. The Rescission, by contrast, rests on no new fact-finding whatsoever.¹⁹

2. The disclosures the Commission seeks to rescind here cover information that has historically been deemed material and significant to investors.

¹⁴ Jill E. Fisch and George S. Georgiev, [Comment Letter to SEC re: Enhancement and Standardization of Climate-Related Disclosures for Investors](#) (Jun. 6, 2022).

¹⁵ Rescission at 22.

¹⁶ Comment Letter from former SEC General Counsel John Coates, former SEC Chair Allison Herren Lee, and Professors John C. Coffee, Jr., James D. Cox, Merritt B. Fox, and Joel Seligman re: File No. S7-2026-19 (June 30, 2026), endorsing and attaching Shadow SEC Statement No. 10, *The SEC’s Proposed Climate “Do-Over”: Prejudged, Internally Inconsistent, and Partisan*, available at <https://www.sec.gov/comments/S7-2026-19/s7202619-912279-2794556.pdf> (the “Coates Letter”), Statement at 4–5 & n.10.

¹⁷ Coates Letter, Statement at 2–4 & n.3 (noting that *NRDC v. SEC*, 606 F.2d 1031 (D.C. Cir. 1979), “was cited in the March 2024 release adopting the rules reversed in the current proposal yet is nowhere cited or discussed in the new release”).

¹⁸ *Id.*, Statement at 1–2 & n.1 (observing that “[n]othing in [the SEC’s] governing statutes or relevant case law or legislative history has changed between March 2024 and June 2026”).

¹⁹ U.S. House Financial Services Committee, Testimony of Prof. George S. Georgiev before Oversight and Investigations Subcommittee Hearing entitled “Oversight of the SEC’s Proposed Climate Disclosure Rule: A Future of Legal Hurdles” (Jan. 18, 2024), at 3–4 (documenting the comment file and 372 meetings); see also Coates Letter, Statement at 1 n.1 (“There is nothing in the current rule proposal that reflects any fact-finding, deliberation, or new information . . .”).

The SEC has a long history of using its delegated authority to issue additional disclosure requirements on a wide variety of topics relevant to the enumerated categories in Schedule A,²⁰ which includes promulgating unchallenged disclosures for a number of matters not expressly addressed by Schedule A or in acts of Congress that have nonetheless become salient to investors due to economic changes and market demand.²¹ These include, among others, disclosures around executive compensation, related-party (or conflicted) transactions, and a multitude of industry-specific items, all issued without specific congressional authorization and also without having to defend the rules in court.²² The traffic has not run in only one direction: the Commission has also subtracted from Schedule A, dropping, for example, its requirements to disclose certain public-utility service contracts and to name every person paid above a fixed remuneration threshold. That longstanding practice cannot be squared with the Rescission’s attempt to recast Schedule A—which Congress has never amended or repealed—as a ceiling on the Commission’s authority.²³

Republican-appointed SEC Chairman Jay Clayton displayed his commitment to this principle of agency-delegated authority when he recognized that economic changes warranted the Commission’s first ever human capital disclosures, stating “[f]rom a modernization standpoint [...] human capital accounts for and drives long-term business value in many companies much more so than it did 30 years ago” and that “[these new disclosure] rules reflect that important and multifaceted shift in our domestic and global economy.”²⁴ Furthermore, Chairman Clayton noted that the new rules built on the Commission’s disclosure framework and that investors will benefit from understanding how human capital management drives a company’s financial performance.²⁵ Such disclosures responded to calls from institutional investors, owning or managing more than \$8 trillion in assets, asking the Commission to acknowledge the materiality of human capital practices.²⁶ Similarly, the Commission, in its climate disclosure proposal, points out the changing economic view of, and increased market demand for, climate risk metrics as justification for its rulemaking.²⁷

²⁰ See, e.g., Regulation S-K (lays out more granular substantive disclosure requirements); Regulation S-X (establishes granular financial disclosure requirements).

²¹ Jill E. Fisch and George S. Georgiev, [Comment Letter to SEC re: Enhancement and Standardization of Climate-Related Disclosures for Investors](#) (Jun. 6, 2022) at 7.

²² U.S. House Financial Services Committee, [Testimony of Prof. George S. Georgiev before Oversight and Investigations Subcommittee Hearing entitled “Oversight of the SEC’s Proposed Climate Disclosure Rule: A Future of Legal Hurdles”](#) (Jan. 18, 2024).

²³ Jill E. Fisch, George S. Georgiev, Donna M. Nagy, and Cynthia A. Williams, on behalf of thirty securities law scholars, [Comment Letter to SEC re: Enhancement and Standardization of Climate-Related Disclosures for Investors](#) (Jun. 6, 2022), pt. 2 n.26; George S. Georgiev, *The SEC’s Climate Disclosure Rule: Critiquing the Critics*, 50 Rutgers L. Rec. 101, 114–15 (2022) (“Regulation S-K as it exists today can be traced back directly to Schedule A (which has never been amended or repealed by Congress).”).

²⁴ Chairman Jay Clayton, Statement entitled [“Modernizing the Framework for Business, Legal Proceedings and Risk Factor Disclosures”](#) (Aug. 26, 2020) (“Today, we are considering amendments to modernize the description of business, legal proceedings, and risk factor disclosures that companies are required to make under Regulation S-K. These amendments are part of the Commission’s broader efforts to retroactively review and improve our public company disclosure framework and related requirements. First, I want to put this work in context. The rules we adopt today update various Regulation S-K items that essentially have not changed in over 30 years. *Our economy, and the world economy, have changed markedly in that time, and many of our rules, which were well rooted in the characteristics of the economy of the 1970s and 1980s, simply have not kept up* (emphasis added).”).

²⁵ *Id.*

²⁶ The Human Capital Management Coalition, [“Rulemaking Petition To Require Issuers To Disclose Information About Their Human Capital Management Practices”](#) (July 6, 2017).

²⁷ SEC, [Proposed Rule: The Enhancement and Standardization of Climate-Related Disclosures for Investors](#) (May 9, 2022), at 10 (“The impact of climate-related risks on both individual businesses and the financial system as a whole are [now] well

Additionally, the SEC’s climate disclosure proposal is consistent with the Commission’s previous exercise of authority in the area of environmental issues facing businesses over the last five decades.²⁸ Indeed, the SEC has a lengthy track record of requiring registrants to include environmental disclosures in their filings dating back to the Nixon Administration. In its 1971 rule proposal, the Commission “called attention to the requirements” under the Securities and Exchange Acts “for disclosure of legal proceedings and a description of the registrant’s business as these requirements relate to material matters involving the environment[.]”²⁹ This trend has continued throughout the years as the Commission made adjustments to environmental disclosures in Reg S-K in 1981, and provided staff guidance regarding accounting disclosures as they pertain to environmental losses in 1993.³⁰ In 2010, the SEC provided additional Commission guidance on recent climate-change developments that could be required to be disclosed under SEC rules, asking companies “to consider climate change and its consequences as they prepare documents to be filed with us and provided to investors.” Members of Congress emphasized that investors have a right to know if their investment may be helped or hurt by climate change. Undisclosed, material environmental risks and liabilities could impair investors’ ability to make sound decisions, and the guidance will increase informational transparency.³¹

In 2010, no one, not even those in and outside of government that opposed the SEC’s guidance, argued that the Commission lacked authority to mandate climate-related disclosure, or that climate change was a novel (or, even less plausibly, illegitimate) subject matter for the disclosure regime.³² For example, Republican-appointed SEC Commissioner Katherine Casey argued that her opposition stemmed not from a lack of authority, but from her (incorrect and unsupported) view that climate science lacked certainty and that existing disclosures were adequate with respect to corporate reporting on climate change.³³ In addition, a 2011 law firm report catalogued the objections filed with the SEC, including from regulated energy producers, citing comments that the guidance “require[d] too much speculation by registrants,” could “discourage voluntary disclosures,” and “advance[d] a political agenda,” but not that the SEC had exceeded its authority with the guidance or previous environmental disclosure mandates.³⁴ Years later, even under the Clayton-era SEC, the Commission passed rules that recognized that

documented [with one such government report in 2021 finding] that businesses, financial institutions, investors, and households may experience direct financial effects from climate-related risks [;] [...] additionally, many investors—including shareholders, investment advisers, and investment management companies—currently seek information about climate-related risks from companies to inform their investment decision-making [.]”).

²⁸ Jill E. Fisch and George S. Georgiev, [Comment Letter to SEC re: Enhancement and Standardization of Climate-Related Disclosures for Investors](#) (Jun. 6, 2022) at 11.

²⁹ *Id.*

³⁰ *Id.*

³¹ Senate Committee on Banking, Housing, and Urban Affairs, [Dodd, Reed, Praise SEC Decision on Climate Risk Disclosure](#) (January 27, 2010).

³² Jill E. Fisch and George S. Georgiev, [Comment Letter to SEC re: Enhancement and Standardization of Climate-Related Disclosures for Investors](#) (Jun. 6, 2022). SEC, [Speech by SEC Commissioner: Statement at Open Meeting on Interpretive Release Regarding Disclosure of Climate Change Matters by SEC Commissioner Kathleen L. Casey](#) (January 27, 2010), (“I believe that the release is premised on the false notion that registrants may not recognize that disclosure related to ‘climate change’ issues may be required. In truth, our disclosure regime related to environmental issues including climate change is highly developed and robust, and registrants are well aware of, and have decades of experience complying with, these disclosure requirements... The issuance of this release, however, at a time when the state of the science, law and policy relating to climate change appear to be increasingly in flux, makes little sense.”).

³³ Congressional Research Service, [SEC Climate Change Disclosure Guidance: An Overview and Congressional Concerns](#) (August 26, 2013).

compliance with material environmental laws (Item 101(c) of Regulation S-K) and environmental legal proceedings (Item 103) would need to be disclosed.³⁵

This long history also exposes the internal contradiction at the heart of the Rescission. In the very release in which it disclaims authority, the Commission argues that the Final Rules are “unnecessary because existing disclosure requirements”—including the 2010 guidance—“already elicit information about the material effects of climate-related matters.”³⁶ Something cannot be unauthorized, in 2026, but also be unnecessary and duplicative due to prior action taken, in 2010, on the same grounds.³⁷ Here, the Commission acknowledges that the 2010 guidance, and by extension, the SEC’s view that climate-related issues can have a material impact in ways that require disclosure, are both legally sound.³⁸ Professor Shivaram Rajgopal of Columbia Business School—another witness who appeared before the House Financial Services Committee—in opposing the Rescission, presses the same contradiction is inherent in the release’s own numbers: if existing rules already elicit this disclosure, rescission cannot save \$4.9 billion a year—and if it can, that only proves that existing obligations were not producing the information to begin with. The Commission cannot have it both ways.³⁹ An agency that contradicts itself within a single release is not engaged in the reasoned decision-making that the Administrative Procedure Act requires.

3. By any standard, information on climate related risks is material.

Finally, the Rescission argues that the rules are inconsistent with a concept of materiality they allege to be traditionally focused on an issuer’s business and financial characteristics.⁴⁰ However, this is not the materiality standard that has been adopted and reaffirmed by the Supreme Court.⁴¹ The guiding principle of materiality is whether a reasonable investor would consider the disclosure of specific information important when making an investment or voting decision. Despite the Commission’s attempts to redefine what information is material and what is not, the concept of materiality has been and continues to be investor-centric and investor-driven. As the Courts have held, investors are the ones that get to decide what information they need to make investment decisions. And there is no ambiguity in investors’ demand for mandatory and standardized climate risk disclosures. According to a 2022 analysis of SEC comment letters submitted by 320 institutional investors that owned or managed more than \$50 trillion in assets, 97% supported requiring climate disclosures in public companies’ annual reports (10-Ks).⁴²

³⁴ Working Group on Securities Disclosure Authority Comments on Climate-Related Disclosures for Investors, [Comment Letter](#), (June 16, 2022), at footnote 17.

³⁵ SEC, [Final Rule: Modernization of Regulation S-K Items 101, 103, and 105](#) (Aug. 26, 2020).

³⁶ Rescission at 47.

³⁷ Coates Letter, Statement at 3.

³⁸ *Id.*

³⁹ Comment Letter from Shivaram Rajgopal, Kester and Byrnes Professor and Chair, Accounting, Columbia Business School, re: File No. S7-2026-19 (July 12, 2026), available at <https://www.sec.gov/comments/S7-2026-19/s7202619-957399-2957686.pdf> (the “Rajgopal Letter”), at 6–7.

⁴⁰ Rescission at 26–30.

⁴¹ *Basic Inc. v. Levinson*, 485 U.S. 224, 240 (1988) (“[M]ateriality depends on the significance the reasonable investor would place on the withheld or misrepresented information.”); *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438, 449 (1977) (“[A]n omitted fact is material if there is a substantial likelihood that a reasonable shareholder would consider it important in deciding how to vote... Put another way, there must be a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of information made available.”).

⁴² Ceres, [Analysis shows that investors strongly support the SEC’s proposed climate disclosure rule](#) (October 11, 2022).

Ninety-nine percent supported requiring disclosure of Scope 1 and 2 greenhouse gas (GHG) emissions.⁴³ Investors are overwhelmingly aligned in asking for comparable, consistent, and decision-useful climate-related information in SEC filings. This reflects a clear directive from a diverse set of investors that the Commission’s disclosure framework exists to protect and serve.

The data further show that climate risks have a real, documented economic and financial impact on a company’s bottom line, and are indeed material to a majority of investors:

- Corporations that actively manage and plan for climate change—and provide clear, decision-useful climate-related disclosures—consistently realize significant financial benefits, with recent CDP analysis showing that companies earn, on average, a seven-to-one return on investments in climate-risk mitigation and, in some cases, returns as high as twenty-one-to-one.⁴⁴
- Eighty percent of investors have made clear that they want the opportunity to invest in companies that take environmental sustainability into consideration.⁴⁵
- Investors and banks accounting for hundreds of trillions in assets under management have requested thousands of companies to disclose climate-related information for their investing and financing decisions, directly challenging the Republican and industry claims that climate-related information is not material to investors or to industry.⁴⁶

B. The Major Questions Doctrine Does Not Apply to the Climate-Related Disclosure Rules

Despite these decades of precedent, the Recission attempts to lay doubt on the SEC’s authority to promulgate environmental disclosures by relying on the misleading and bad faith argument that the climate rules violate the Major Questions Doctrine (“MQD”). The MQD, formally adopted by the Supreme Court in *West Virginia v. EPA* (2022), applies when an agency “claims to discover in a long extant statute an unheralded power [...] representing a transformative expansion in [its] regulatory authority.”⁴⁷ In other words, should an agency seek to create regulations of vast economic and political significance, it must have clear and explicit congressional authorization.

⁴³ *Id.*

⁴⁴ CDP, “Disclosure Dividend 2025,” based on 2024 data from nearly 25,000 disclosing companies, finds that firms investing in climate-risk mitigation activities report an average 7× return for every \$1 spent and, in cases involving physical risk mitigation, up to 21× return. CDP further reports that companies identified a median \$33.1 million in climate-related opportunities compared to \$4.6 million in associated costs, demonstrating the strong financial materiality of climate-risk management. CDP, “Disclosure Dividend 2025,” based on 2024 data from nearly 25,000 disclosing companies, finds that firms investing in climate-risk mitigation activities report an average 7× return for every \$1 spent and, in cases involving physical risk mitigation, up to 21× return. CDP further reports that companies identified a median \$33.1 million in climate-related opportunities compared to \$4.6 million in associated costs, demonstrating the strong financial materiality of climate-risk management. Report, *available at* <https://www.cdp.net/en/press-releases/unlocking-the-disclosure-dividend>.

⁴⁵ Nuveen, [Investor Survey: Investors Want More Information from Companies about ESG Issues](#) (Feb. 2, 2023).

⁴⁶ Reuters, [Finance firms with \\$136 trln urge boards for more environmental data](#) (Mar. 13, 2023).

⁴⁷ U.S. House Financial Services Committee, [Testimony of Prof. George S. Georgiev before Oversight and Investigations Subcommittee Hearing entitled “Oversight of the SEC’s Proposed Climate Disclosure Rule: A Future of Legal Hurdles”](#) (Jan. 18, 2024) at 12-13 (citing *West Virginia v. EPA*, 142 S. Ct. 2587, 2610 (2022)).

As discussed in this comment letter, Congress expressly delegated to the SEC the authority to require the disclosure of any information necessary or appropriate in the public interest or for the protection of investors. The climate disclosure rule is clearly in line with this frequently exercised core agency disclosure authority and does not run afoul of the novel MQD. The core purpose of U.S. securities laws is to protect investors from information asymmetries and to protect U.S. capital markets from inefficiency. Thus, the entire statutory structure of federal securities regulation is based on mandating the provision of standardized and comparable information about publicly traded companies to the capital markets, and the original securities laws explicitly establish the authority of the SEC to enact disclosure requirements to protect those markets and market participants.⁴⁸ Such policy determinations clearly involved “major questions,” but those questions were asked and answered by Congress in the 1930s.⁴⁹ The SEC, in turn, has exercised its disclosure authority consistently—and without legislative override—in the nearly 90 years that followed.⁵⁰ The SEC had done so once more with its 2024 rule on climate-related disclosure. These efforts were grounded in the SEC’s past work on risk disclosure in the environmental space, starting with the disclosure of risk factors related to environmental law compliance in 1971 and its 2010 guidance on climate-related risk disclosure.

Furthermore, the Rescission’s statement that “Congress is clearly aware of the potential and claimed risks posed by climate change, yet it has not legislated directly nor instructed the Commission to adopt regulations in response” is outright misleading. To the contrary, there have been numerous letters that Members of Congress sent to or filed with the Commission in support of uniform climate disclosures,⁵¹ yet the Rescission selectively cites a single letter from

⁴⁸ Jill E. Fisch, George Georgiev, Donna M. Nagy, Cynthia A. Williams, [Climate Change, *West Virginia v. EPA*, and the SEC’s Distinctive Statutory Mandate](#) (Summer 2022).

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ See, e.g., [Letter from Sen. Tammy Baldwin](#) (Jan. 24, 2024) (“I continue to support the rule and its intended outcome of addressing climate-related risks and providing more transparency for investors”); [Letter from Sen. Amy Klobuchar](#) (Dec. 12, 2023) (“Thank you for your work to address climate-related risks and provide more transparency for investors in the proposed rule [...] I strongly support efforts to tackle climate change [...] appreciate the thoughtfulness with which you and your staff have approached this issue, and I stand ready to work with you on a rule that works for all American farmers and ranchers”); [Letter from House Financial Services Ranking Member Maxine Waters](#) (Oct. 30, 2023) (“I am writing to urge the [SEC] to quickly finalize its proposed rule to improve the quality of climate related disclosures in our capital markets in furtherance of the Commission’s mandate to protect investors, ensure fair and efficient markets, and facilitate capital formation”); [Comment Letter led by Rep. Sean Casten and Sen. Elizabeth Warren](#) (June 11, 2021) (“In your examination, we would implore the SEC to develop requirements [outlined under the Climate Risk Disclosure Act, S. 1217/H.R. 2570] which facilitate consistent, reliable, and comparable disclosures, protect shareholders, and provide needed transparency.”) [Letter led by Sen. Adam Schiff, Rep. Juan Vargas, and co-signed by 24 other Members of Congress](#) (Oct. 12, 2023) (“We are writing today to strongly urge the [SEC] to include robust greenhouse gas (GHG) emissions disclosure requirements in its final climate disclosure rulemaking”); [Letter led by Sen. Elizabeth Warren, Rep. Rashida Tlaib, and co-signed by 23 other Members of Congress](#) (Sep. 26, 2023) (“[W]e are writing to once again urge you to expeditiously release a final, strong climate disclosure rule that results in detailed disclosure of firms’ transition risk and opportunities, including Scope 1, 2, and 3 greenhouse gas (GHG) emissions, details around energy transition plans, and capital expenditures related to the transition”); [Letter Led by Sen. Elizabeth Warren, Rep. Dan Goldman, and co-signed by nearly 50 other Members of Congress](#) (Mar. 5, 2023) (“We urge the SEC to fulfill its duty to investors and follow through on finalizing a strong climate disclosure rule without delay”); [Letter Led by Sen. Brian Schatz, Sen. Sheldon Whitehouse, and co-signed by six other Senators](#) (Jun. 17, 2022) (“We write to express our strong support for the Securities and Exchange Commission’s (SEC, the Commission) proposed amendments to its rules under the Securities Act of 1933 and the Securities Exchange Act of 1934, which would require registrants to provide climate-related information in their registration statements and annual reports.”); [Letter Led by Sen. Edward Markey, Sen. Corey Booker, and four other Senators](#) (Jun. 17, 2022) (“we applaud the SEC for rising to the moment through the issuance of this proposed rule [and...] urge the Commission to strengthen the final version with the inclusion of [all greenhouse gas emissions related to a regulated business’s supply chain]”); [Letter Led by Sen. Jack Reed, Sen. Sherrod Brown, and 3 other Senators](#) (Jun. 17, 2022) (“We support the Proposal because it would improve the transparency and consistency of reporting those risks [...] The Proposal builds on the SEC’s existing rules and

Republicans in opposition,⁵² giving the false impression the Legislative branch has not spoken on the matter. Indeed, Congress has been outspoken in favor of these rules. In 2021, the U.S. House of Representatives passed H.R. 2570, the Climate Risk Disclosure Act, as a part of a larger legislative package (H.R. 1187), which reaffirmed that the SEC has the authority to implement climate risk and human capital disclosure rules and directed the SEC to issue tailored disclosure rules for public companies, including direct and indirect emissions, the amount of fossil fuel-related assets it owns or manages, how its valuation would be affected if change continues at its current pace or under the 1.5°C scenario, and risk management strategies for physical and transition risks.⁵³ The SEC’s subsequent climate disclosure proposal included many of these elements.

More fundamentally, congressional silence is not congressional prohibition. Congress speaks through the statutes it enacts, and in 1933 and 1934 it enacted durable delegations of disclosure authority that remain on the books today. A later Congress’s decision not to pass climate-specific legislation withdraws nothing. And Congress has never legislatively overridden the Commission’s disclosure responses to emergent risks, from Y2K to the Eurozone crisis, Brexit, the COVID-19 pandemic, and Russia’s war against Ukraine.⁵⁴ If Congress wished to narrow the Commission’s disclosure authority, it knows how to do so. It has not. Until it does, the Commission’s duty is to exercise the authority Congress gave it, not to renounce it.

C. The Rescission Overstates the Cost of Complying with the Disclosure Rules

Another argument the Commission alleges to justify the Rescission is that the costs of complying with the climate disclosure rule will be excessive and overly burdensome for individual issuers. However, an independent study of nearly 40 issuers conducted by Environmental Resources Management (“ERM”)—the world’s largest sustainability consultancy—strongly suggests that the issuer compliance costs projected in industry-sponsored comment letters are vastly overstated.⁵⁵ The ERM report indicates issuer compliance costs to be very much in line with the figures put forth by the Commission in its own economic analysis.⁵⁶ Additionally, according to the Ceres Accelerator for Sustainable Capital Markets, institutional investors were already spending more than 2.5x the estimated amount each year to collect, analyze, and report climate data to inform their investment decisions.⁵⁷ Therefore, the cost of compliance is not necessarily an additional cost and may be subsumed by work already done by registrants.

guidance in these areas, all of which are grounded in the agency’s obligation to promote full and fair disclosure.”).

⁵² Rescission at 43.

⁵³ U.S. Congress, House, [Climate Risk Disclosure Act of 2021](#), H.R. 2570, 117th Congress, introduced in the House on April 15, 2021. U.S. Congress, House, [Corporate Governance Improvement and Investor Protection Act](#), H.R. 1187, 117th Congress, introduced in the House on February 18, 2021, passed the House on June 16, 2021.

⁵⁴ Fisch, Georgiev, Nagy & Williams Comment Letter, *supra* note 6, pt. 2 (“The Commission’s disclosure policies have responded to market developments, and at no time has Congress legislatively overridden these new or enhanced disclosure requirements.”).

⁵⁵ Ceres Accelerator for Sustainable Capital Markets (“Ceres”), Letter to SEC Secretary Vanessa Countryman re: The Enhancement and Standardization of Climate-Related Disclosures for Investors, Release No. 33-11042, 34-94478; File No. S7-10-22 (Apr. 6, 2023), at 6 (citing Environmental Resources Management (or “ERM” in partnership with Ceres and Persefoni Climate Management & Carbon Accounting Platform), May 2022 Report entitled [“Costs and Benefits of Climate-Related Disclosure Activities by Corporate Issuers and Institutional Investors”](#) (May 2022)).

⁵⁶ *Id.* at 1.

⁵⁷ Ceres Accelerator for Sustainable Capital Markets, Overview: U.S. Securities and Exchange Commission’s Proposed Rule on Climate Disclosure (accessed July 16, 2026).

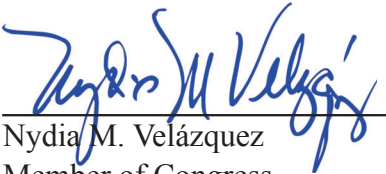
D. Conclusion

It is imperative the Commission implement the March 2024 climate-related risk disclosure rules, as the Recission would instead represent a profound step backward for market transparency around climate risk and impede the Commission's tripartite objective of investor protection, capital formation, and fair, orderly, and efficient markets. Instead of succumbing to politically motivated legal arguments, the Commission must stand by its well-established statutory authority to regulate in the public interest. For these reasons—and in order to maintain the critical disclosure framework necessary to safeguard investors and ensure that America's capital markets remain the envy of the world—we urge the Commission to withdraw the Rescission immediately.

Sincerely,



Maxine Waters
Ranking Member
Committee on Financial Services



Nydia M. Velázquez
Member of Congress



Representative Brad Sherman
Ranking Member
Subcommittee on Capital Markets



Gregory W. Meeks
Member of Congress



Representative Stephen F. Lynch
Ranking Member
Subcommittee on Digital Assets, Financial
Technology, and Artificial Intelligence



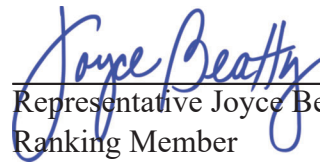
Representative Al Green
Ranking Member
Subcommittee on Digital Assets,
Financial Technology, and Artificial
Intelligence



Representative Emanuel Cleaver, II
Ranking Member
Subcommittee on Housing and Insurance



Representative Bill Foster
Ranking Member
Subcommittee on Financial Institutions



Representative Joyce Beatty
Ranking Member
Subcommittee on National Security,
Illicit Finance, and International
Financial Institutions



Juan Vargas
Ranking Member
Task Force on Monetary Policy, Treasury
Market Resilience, and Economic
Prosperity



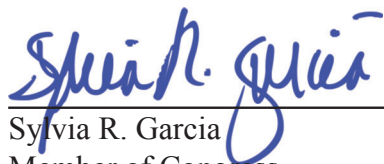
Ayanna Pressley
Member of Congress



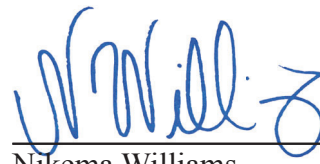
Rashida Tlaib
Member of Congress



Ritchie Torres
Member of Congress



Sylvia R. Garcia
Member of Congress



Nikema Williams
Member of Congress



Sam T. Liccardo
Member of Congress

CC: The Honorable French Hill, Chairman, Committee on Financial Services