Via Electronic Submission

June 17, 2022

Secretary Vanessa Countryman
U.S. Securities and Exchange Commission
100 F. Street, NE
Washington, DC 20549

Re: Public Comment on File No. S7-10-22, the Proposed Rule on the Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Secretary Countryman,

The NC Chamber is the leading business advocacy organization in North Carolina. Representing more than 21 industry segments, the NC Chamber works to research, develop, advocate, and communicate for solutions and policies that produce a nationally competitive business climate in North Carolina. Given the diversity of our membership, interest in climate-related disclosures and regulation varies widely across our members, depending at least partly on whether the member company is even required to prepare and file registration statements and annual reports with the Commission. What is uniform across our membership, however, is a commitment to serving as responsible members of the business community, particularly on matters of environmental and ecological significance. It is with that background in mind that the NC Chamber wishes to flag a concern on behalf of the many of our member companies that are not already regulated by the SEC, but for whom this proposal would create immediate burden and risk.

In particular, included in the proposed rule is the requirement that subject companies report so-called “Scope 3 emissions,” those within the supply chain as opposed to those directly controlled by the reporting company. This proposed indirect greenhouse gas emissions reporting requirement, perhaps simple in concept, would be extraordinarily complex in practice. The volume of resources necessary to measure and accurately report Scope 3 data is staggering in its own right. The legal risks attendant to doing so in good faith but somehow improperly is, however, even more daunting. This is true for both the subject reporting company (those covered by the requirements regarding Scope 1 and Scope 2 emissions) and the suppliers and allied input partners that sell to or support them (those implicated by the proposed Scope 3 reporting requirements).

Not every North Carolina business has a climate regulation compliance coordinator and in house attorney to navigate the duty of tracking and then aggregating data on greenhouse emissions, and the market has not signaled to them that they should hire such personnel anytime soon. We represent small businesses, farmers and agribusiness owners, and even non-profits that contribute to the success of SEC-regulated companies both inside and outside of our state. The vast majority of which are simply unprepared – financially or technologically – to capture the very data the SEC may ultimately force them to collect.

In short, many of our member companies would be ill-suited and unprepared to track Scope 3 emissions, as clear standards and metrics for doing so are anything but settled. All of this supports the
argument that the legislative process is a better venue for this sort of tide-turning policy shift in climate related disclosure requirements, and it is precisely that argument that organizations like ours are prepared to make if the rules are ultimately implemented in their current form.

The Chamber and its membership are well aware that the existing landscape for reporting climate-related information to investors is varied across a myriad of voluntary standards and frameworks. We humbly submit, however, that a hastily developed reporting framework from the Securities and Exchange Commission is not the best way to standardize this information or to further our shared interests in addressing the next generation of environmental challenges.

Thank you for the opportunity to comment on the proposed rules.

Sincerely,

Ray Starling
General Counsel