

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
APPROPRIATIONS
COMMERCE
HEALTH, EDUCATION,
LABOR, AND PENSIONS

January 24, 2024

The Honorable Gary Gensler
Chairman
U.S. Securities and Exchange Commission
100 F Street NE
Washington DC 20549

Dear Chairman Gensler:

I write to you regarding the proposed rule entitled, “Enhancement and Standardization of Climate-Related Disclosures for Investors,” or Climate Disclosure Rule. I continue to support the rule and its intended outcome of addressing climate-related risks and providing more transparency for investors. However, it is critical that the rule achieves these goals without unduly burdening Wisconsin’s farmers.

In June of 2022, I joined my colleagues in expressing our support for SEC’s proposed Climate Disclosure Rule and outlining areas for improvement. That letter noted the importance of flexibility for privately held companies with data collection challenges—like small family farm operations. The current draft rule requires covered registrants to disclose their indirect or “Scope 3” emissions. When seeking this data, a registrant will need to secure information from the whole of their value chain, which can include small businesses, farmers, or ranchers. While farmers across the country are constantly improving their efficiencies and addressing the climate impact of their operations, they often lack the ability or resources to accurately collect emissions data. As a result, this stipulation has the potential to adversely affect the relationships between family farmers and the publicly traded companies they do business with, or create a new regulatory burden on family farms.

As you work to finalize the Climate Disclosure Rule, I strongly urge you to take into consideration how the rule could factor into farmers’ livelihood, including the potential burden of added data collection requirements. Any final rule should balance these considerations with the data collection requirement and evolving agricultural emissions modelling.

Thank you for the opportunity to share the concerns of Wisconsin farmers as they related to the Climate Disclosures Rule. I stand ready to work with you on a rule that works for these small businesses.

Sincerely,



Tammy Baldwin
U.S. Senator