



May 11, 2021

To: Members of the House Financial Services Committee

From: Thomas Aiello, Director of Federal Affairs, National Taxpayers Union

Re: NTU's Views on May 12, 2021 Committee Markup

On behalf of the National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to express our views on several measures slated for consideration before the Committee. As the Committee works on the passage of bills, substitute amendments, and other amendments on the agenda, NTU urges lawmakers to support proposals that promote free enterprise, limit government mandates, and protect taxpayers. We look forward to working with you over the course of the 117th Congress on practical solutions that help the American people, businesses, and of course, taxpayers.

H.R. 2570, Climate Risk Disclosure Act. This legislation, introduced by Rep. Casten (D-IL), would impose new costly mandates onto private sector businesses across the country. Specifically, this legislation would require publicly-traded companies to make annual disclosures about their direct and indirect greenhouse gas emissions, non renewable-fuel assets, risk management strategies for addressing climate change, and other new information. At its core, H.R. 2570 is another unnecessary mandatory disclosure on public companies which will inevitably increase compliance costs and make our country's business environment less competitive.

NTU shares the belief among many lawmakers and scientists that climate change is a real and legitimate threat that presents many challenges to our planet and our economy. We also believe addressing climate change must be done in a delicate, market-based way that does not add more burdens onto American companies or families. Certainly, the government can and should take a more constructive approach to enhance the construction of clean energy in order to curb the contributing factors of global climate change, such as many of the [solutions proposed by House Republicans](#). Their proposals would help level the energy playing field by slashing burdensome regulations, government mandates, and other factors that increase the cost of building clean energy.

However, adding more costs onto businesses through the mandatory reporting of direct and indirect emissions, is not an effective solution for combating climate change. In our view, H.R. 2570 would not have a meaningful impact on reducing emissions, but rather, be used to "name and shame" certain politically unsavory companies. According to a [CNBC article](#), Senator Warren (D-MA), who is leading this bill in the Senate, wrote in 2019 that this legislation "will push more investors to move their money out of the fossil fuel industry, accelerating the transition to clean energy." It's clear that the Climate Risk Disclosure Act isn't about addressing climate change, but rather imposing punitive measures on certain industries.

Companies are currently free to voluntarily report ESG information to shareholders. Additionally, companies are already required by law to file annual reports with any information that shareholders and potential investors would find relevant to making investment decisions. If disclosure of this information as material or useful, there is nothing stopping companies from disclosing that information without a government mandate.

From our perspective, these disclosure requirements add to business compliance costs and could be used to shame members of the business community for investments in certain companies.

NTU opposes H.R. 2570.

NTU appreciates the Committee's consideration of our views and looks forward to working with you as you work on a bipartisan basis to improve the competitiveness of our economy over the course of the economic recovery.