August 3, 2026

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

Re: Rescission of the Climate-Related Disclosure Rule (File No. S7-2026-19)

Dear Ms. Countryman:

The undersigned organizations appreciate the opportunity to comment on the Securities and Exchange Commission's (the Commission) proposal to rescind in full the climate-related disclosure rule adopted in 2024 (Proposal). The undersigned organizations, representing companies of every size, in every sector, and across every region of the country, support full rescission.

Many of our members are public companies directly subject to the 2024 climate rule; many others are private companies that would have borne indirect burdens through supply-chain, financing, assurance, and contracting pressures created by the rule. Some of our organizations plan to submit our own comprehensive comments on the Proposal; this letter is intended to demonstrate agreement amongst signatories regarding the most glaring flaws of the climate disclosure rule and why rescission is necessary and justified.

The Commission's Proposal correctly recognizes that the climate rule exceeded the Commission's statutory authority and, independently, was unsupported by the public record. The rule created an entire regulatory framework devoted to one subject—climate-related matters—and required registrants to develop, assess, govern, quantify, and disclose information that often would not be financially material to a reasonable investor's investment or voting decision.

The rule elevated climate above other risks, including risks that may be more significant to a particular registrant's business, notwithstanding the existing disclosure framework's long-standing requirement that registrants disclose material risks, proceedings, and financial-statement impacts, including those related to climate when material.

I. The Climate Rule Exceeds the Commission's Statutory Authority

We agree with the Commission's careful statutory analysis: Congress authorized the SEC to require disclosures tied to registrants' business and financial condition and to information material to investment and voting decisions; it did not authorize the Commission to create a climate-reporting code for the public-company market. The federal securities laws do not authorize the Commission to impose a sweeping, prescriptive, climate-specific disclosure regime of this kind.

The Commission cannot become a climate regulator by relying on general statutory language authorizing disclosure that is “necessary or appropriate in the public interest or for the protection of investors.” That language is not an open-ended power to require any information that some investors, advocacy groups, intermediaries, or other market participants may happen to want. Read in context, the securities laws' disclosure provisions authorize information about the registrant's business and financial condition that is material to investors' investment decision making.

The climate rule departed from that framework. It singled out climate, elevated it above other risks, and compelled disclosures because the subject was a topic at the forefront of public debate, not because the information was material to the reasonable investor. The securities laws do not permit the Commission to convert investor protection into a mandate to satisfy any conceivable informational demand.

The rule also raised serious First Amendment concerns. It compelled companies to speak on climate change, a contested matter of public concern, and required them to make judgment-laden disclosures about climate-related risks, governance, transition planning, targets, assumptions, and financial effects. At minimum, constitutional avoidance counsels against reading the securities laws to authorize that result. The better reading is the straightforward one: the securities laws authorize the Commission to require disclosure of material financial information for investors, not to compel climate-policy speech.

II. The Climate Rule Was Not Based Upon Reasoned Decision Making

The Commission found no investor harm for the climate rule to remedy. It identified no investor loss, no body of investor complaints, no enforcement gap, no litigation record, and no category of material climate-related information that existing rules failed to capture. Existing SEC rules already require disclosure of material climate-related risks and financial impacts, and public companies already provide extensive climate-related information where it is material or responsive to market demand.

The empirical record does not support a marketwide mandate. A study of Forms 8-K disclosing greenhouse-gas emissions found no statistically significant stock-price or trading-volume response, indicating that, on average, investors did not update their views of firm value in response to the disclosed GHG-emissions information. The record also showed that approximately 90 percent of variation in GHG emissions can be explained by observable company characteristics, undermining the claim that mandatory emissions disclosure would produce substantial new information for investors.[1]

Standardization also would not have produced reliable or comparable information of value to the reasonable investor. Climate disclosures depend on variable assumptions, methodologies, organizational boundaries, time horizons, emissions factors, estimation techniques, scenario assumptions, and judgments about attribution. Standardized presentation may make those disclosures look comparable; it does not make the underlying inputs comparable.

Finally, the climate rule's costs were understated and have grown. Commenters repeatedly told the Commission, with company-specific and survey-based support, that the rule would cost far more than projected. One industry survey reported that 79% of non-smaller reporting company (SRC) respondents believed the Commission had underestimated compliance costs, and company submissions included estimates ranging into the millions of dollars for governance, strategy, emissions, and assurance disclosures—far above the Commission's own median estimates.[2] The 2026 proposal's estimated $7.9 billion in avoided initial costs and annual savings ranging from approximately $1.7 billion to $5.6 billion does not fully capture the benefits of rescission.

III. The Climate Rule Should Be Rescinded

The Commission should rescind the climate rule in full. The defects are foundational, not provision-specific. There is no demonstrated problem for any part of it to solve. The asserted benefits fail across the board. The costs were understated across the board. And the authority defect reaches the entire climate-specific mandate. When the rationale for a rule fails at its foundation, the remedy is rescission, not selective editing.

No reliance interest counsels partial retention. The Commission stayed the final rule in April 2024, before any compliance date, and its requirements have never taken effect. Existing disclosure obligations remain fully in force for material climate matters, so no investor loses access to information the securities laws require.

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1 Daniel J. Taylor, Comment Letter Regarding File No. S7-10-22 (June 2022).
2 NASDAQ Comment Letter Regarding File No. S7-10-22 (June 14, 2022).

Full rescission is the only outcome this record supports. We urge the Commission to rescind the 2024 climate-related disclosure rule in its entirety.

Sincerely,

Agricultural Retailers Association
American Council for Capital Formation
American Forest & Paper Association
American Foundry Society
American Petroleum Institute
American Property Casualty Insurance Association
American Trucking Associations
America's SBDC
Associated Builders and Contractors
Associated Builders and Contractors of Western PA
Associated General Contractors of America
California Trucking Association
Career Education Colleges and Universities
Compressed Air & Gas Institute
Environmental Technology Council
Fabricators and Manufacturers Association
Financial Services Institute
FMI – The Food Industry Association
GPA Midstream Association
Independent Community Bankers of America
Independent Petroleum Association of America
Industrial Fasteners Institute
Insured Retirement Institute (IRI)
International Warehouse Logistics Association (IWLA)
Interstate Natural Gas Association of America
Meat Institute
Mortgage Bankers Association
National Asphalt Pavement Association (NAPA)
National Association of Manufacturers
National Association of Mutual Insurance Companies
National Parking Association
National Pork Producers Council
National Propane Gas Association
National Ready Mixed Concrete Association
National Restaurant Association
National Stone, Sand & Gravel Association

North American Association of Food Equipment Manufacturers (NAFEM)
Plastics Industry Association
PRINTING United Alliance
Reinsurance Association of America
Truck Renting and Leasing Association
U.S. Chamber of Commerce