United States Senate

WASHINGTON, DC 20510

August 3, 2026

The Honorable Paul S. Atkins
Chair
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Dear Chair Atkins:

We write to urge the Securities and Exchange Commission (SEC or Commission) to withdraw its proposal[1] to rescind the climate-related disclosure rules that it adopted on March 6, 2024.[2]

Rescission would eliminate mandatory, standardized disclosure of material climate-related risks in Commission filings and return investors to the inconsistent, non-comparable, and frequently boilerplate voluntary disclosures that led the Commission to act in the first place. The proposal rests on a legal theory that mischaracterizes both the final rules and the Commission's own disclosure history, discards specific substantive protections the final rules provided, and would leave U.S. capital markets increasingly fragmented and out of step with an accelerating global standard. The Commission adopted the final rules after years of deliberation and an extraordinarily robust comment process that generated more than 24,000 submissions,[3] repeatedly narrowing and tailoring the disclosure requirements in response to industry concerns.[4] Reversing course now would deprive investors of information they themselves have said, repeatedly and unambiguously, that they need to price and manage risk.

In this letter, we discuss several specific reasons that maintaining the climate risk-related disclosure framework established in the final rules is critical to U.S. economic security. We look forward to remaining engaged with the Commission as it contemplates the rescission.

1) Climate Change Poses Material, Escalating, and Systemic Financial Risk

The premise of the final rules—that climate-related risks are frequently material to a registrant's business, financial condition, and results of operations—was already clear in 2024 and is only clearer today. Weather and climate disasters caused an estimated $115 billion in damages across 23 separate billion-dollar events in the United States in 2025 alone, including the Los Angeles

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[1] U.S. Securities and Exchange Commission, "Rescission of Climate-Related Disclosure Rules," 91 Fed. Reg. 33,296 (proposed June 3, 2026) (to be codified at 17 C.F.R. pts. 210, 229, 230, 232, 239, 249), https://www.federalregister.gov/documents/2026/06/03/2026-11091/rescission-of-climate-related-disclosure-rules.

[2] U.S. Securities and Exchange Commission, "The Enhancement and Standardization of Climate-Related Disclosures for Investors," 89 Fed. Reg. 21,668 (Mar. 28, 2024) (codified at 17 C.F.R. pts. 210, 229, 230, 232, 239, 249), https://www.federalregister.gov/documents/2024/03/28/2024-05137/the-enhancement-and-standardization-of-climate-related-disclosures-for-investors.

[3] U.S. Securities and Exchange Commission, "SEC Adopts Rules to Enhance and Standardize Climate-Related Disclosures for Investors," press release, March 6, 2024, https://www.sec.gov/newsroom/press-releases/2024-31.

[4] U.S. Securities and Exchange Commission, "Fact Sheet: Rescission of Climate-Related Disclosure Rules," May 29, 2026, https://www.sec.gov/files/33-11421-fact-sheet.pdf.

wildfires, which exceeded $61 billion in losses alone,[5] displaced tens of thousands of residents,[6] and destroyed or damaged more than 15,000 structures,[7] making them the costliest wildfire event on record. Global insured catastrophe losses topped $100 billion in 2025—the sixth time in the last nine years in which the insurance industry has absorbed losses of that magnitude—with more than $80 billion coming in the first half of 2025 alone.[8] Cumulative U.S. losses from billion-dollar weather and climate disasters since 1980 now exceed $3.1 trillion,[9] and researchers who compile the data caution that their methodology likely underestimates true losses by 10 to 15 percent.[10] The Federal Reserve has separately and repeatedly identified climate change as a source of risk to financial stability, affecting credit risk, market risk, liquidity risk, and operational risk across the financial system, and it has emphasized that these risks correlate across firms and sectors in ways that traditional, firm-specific financial disclosures do not capture.[11]

Investors have consistently said they need reliable information to price and manage these risks—and that they are not getting it through voluntary disclosure. Academic surveys of institutional investors have found that a majority regard climate risk disclosure as being as important as financial disclosure; that roughly three-quarters believe standardized, mandatory reporting is necessary; and that most view current voluntary reporting as inconsistent, non-comparable, and frequently uninformative.[12] That skepticism is borne out in the underlying data: as of 2024, well under half of U.S. public companies disclosed Scope 1 and Scope 2 greenhouse gas emissions,[13] and those that did disclose used widely varying methodologies, boundaries, and assumptions that make comparison across registrants difficult or impossible.[14] Rescinding the final rules will not

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[5] Climate Central, "2025 in Review: U.S. Billion-Dollar Disasters," January 2026, https://www.climatecentral.org/climate-matters/2025-in-review.

[6] James MacCarthy and Jessica Richter, "4 Graphics Explain Los Angeles' Rare and Devastating January Fires," World Resources Institute, February 5, 2025, https://www.wri.org/insights/los-angeles-fires-january-2025-explained.

[7] U.S. Geological Survey, "Greater Los Angeles Fires January 2025," February 4, 2025, https://www.usgs.gov/media/images/greater-los-angeles-fires-january-2025.

[8] Swiss Re Institute, "2025 Marks Sixth Year Insured Natural Catastrophe Losses Exceed USD 100 Billion," press release, December 16, 2025, https://www.swissre.com/press-release/2025-marks-sixth-year-insured-natural-catastrophe-losses-exceed-USD-100-billion-finds-Swiss-Re-Institute/f710c271-58c8-4c48-9004-05203634d1e0.

[9] Climate Central, "2025 in Review: U.S. Billion-Dollar Disasters," January 2026, https://www.climatecentral.org/climate-matters/2025-in-review.

[10] Adam B. Smith and Richard W. Katz, "US Billion-Dollar Weather and Climate Disasters: Data Sources, Trends, Accuracy and Biases," *Natural Hazards* 67 (2013), https://www.ncei.noaa.gov/monitoring-content/billions/docs/smith-and-katz-2013.pdf.

[11] Board of Governors of the Federal Reserve System, "Principles for Climate-Related Financial Risk Management for Large Financial Institutions," 87 Fed. Reg. 75,267 (Dec. 8, 2022), https://www.federalregister.gov/documents/2022/12/08/2022-26648/principles-for-climate-related-financial-risk-management-for-large-financial-institutions.

[12] Emirhan Ilhan et al., "Climate Risk Disclosure and Institutional Investors," *Review of Financial Studies* 36, no. 7 (2023), https://www.ecgi.global/sites/default/files/working_papers/documents/ilhankreugersautnerstarksfinal.pdf.

[13] U.S. Securities and Exchange Commission, "The Enhancement and Standardization of Climate-Related Disclosures for Investors," 89 Fed. Reg. 21,668, 21,672 (Mar. 28, 2024), https://www.federalregister.gov/documents/2024/03/28/2024-05137/the-enhancement-and-standardization-of-climate-related-disclosures-for-investors.

[14] Viviana Lizarraga, "Statement on Mandatory Climate Risk Disclosures," U.S. Securities and Exchange Commission, March 6, 2024, https://www.sec.gov/newsroom/speeches-statements/lizarraga-statement-mandatory-climate-risk-disclosures-030624.

make these risks disappear; it will return investors to that same patchwork at the very moment the underlying risks are increasing in frequency and severity.

These risks fall into three broad, compounding categories: the immediate physical risk from individual climate disasters; the way that future physical risk is already transposing into current insurance, mortgage, and property markets; and the transition risk associated with the ongoing shift away from carbon-intensive assets.[15] As climate-driven losses mount, property insurance in high-risk areas becomes more expensive and, in some markets, unavailable; Florida, which already carries the highest insurance premiums in the country—with premiums in its highest-risk areas running roughly five times the national average[16]—has served as an early warning of what other states may face. Because mortgage lenders and government-sponsored enterprises such as Fannie Mae and Freddie Mac generally require insured collateral, an unaffordable or unavailable insurance market compromises the availability of mortgage financing[17]; as financing tightens, the pool of potential buyers shrinks, and property values fall. Transition risk follows the same basic logic: as the global economy shifts away from carbon-intensive energy, the value of fossil fuel assets and the companies dependent on them may be stranded, and financial regulators have long warned that this risk is minimized only when the energy transition begins early and follows a predictable path,[18] which requires market participants to have the standardized information they need to anticipate and price transition risk in the first place, rather than being forced to guess at it company by company.

2) The Proposed Rescission Eliminates Substantive Protections

The proposed rescission purports to restore a "materiality-focused approach" and claims that, because most of the final rules' requirements are gated by materiality, their loss "may ultimately result in minimal information loss."[19] That framing understates what is actually at stake in three respects.

First, on materiality: rather than leaving each registrant to interpret materiality on its own, the final rules provide an objective, common yardstick—specific quantitative thresholds, including a 1 percent disclosure threshold for the financial-statement effects of severe weather and other natural conditions, and consistent definitions, measurement frameworks, and organizational boundaries that every registrant has to use in reaching a materiality determination.[20] That

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[15] Mark Carney, "Breaking the Tragedy of the Horizon — Climate Change and Financial Stability" (speech, Lloyd's of London, September 29, 2015), https://www.bankofengland.co.uk/speech/2015/breaking-the-tragedy-of-the-horizon-climate-change-and-financial-stability.

[16] "Florida Homeowners Insurance Rates 2025: Costs & Trends," 1800insurance.com, October 31, 2025, https://www.1800insurance.com/guides/florida-homeowners-rates-2025.

[17] Center for American Progress, "Managing the Climate Change-Fueled Property Insurance Crisis," 2026, https://www.americanprogress.org/article/managing-the-climate-change-fueled-property-insurance-crisis/.

[18] Mark Carney, "Breaking the Tragedy of the Horizon — Climate Change and Financial Stability" (speech, Lloyd's of London, September 29, 2015), https://www.bankofengland.co.uk/speech/2015/breaking-the-tragedy-of-the-horizon-climate-change-and-financial-stability.

[19] U.S. Securities and Exchange Commission, "Rescission of Climate-Related Disclosure Rules," 91 Fed. Reg. 33,296 (proposed June 3, 2026), https://www.federalregister.gov/documents/2026/06/03/2026-11091/rescission-of-climate-related-disclosure-rules.

[20] U.S. Securities and Exchange Commission, "The Enhancement and Standardization of Climate-Related Disclosures for Investors," 89 Fed. Reg. 21,668 (Mar. 28, 2024),

yardstick is what lets investors compare climate risk across companies in the first place, rather than relying on each company's own judgement call. Rescission does not restore a "materiality-focused" approach, as the proposal claims; rather, it dismantles the only framework that made materiality determinations comparable, and returns registrants to *ad hoc*, company-by-company judgements under Items 101, 103, and 105 of Regulation S-K—provisions never designed to standardize a climate-specific determination.[21]

Second, on climate-related targets and goals: the final rules require registrants with material climate-related targets or goals to disclose standardized information about them, including the baseline year, scope of emissions covered, time horizon, and—critically—material expenditures and progress toward the goal. That disclosure has only grown more necessary, as more companies are adopting material climate-related targets and goals: the share of S&P 500 companies with disclosed targets rose from 73 percent to 87 percent between 2021 and 2024.[22] Companies are making public climate commitments at a rapidly increasing rate, and rescinding the final rules will leave investors with no corresponding standardized mechanism to verify progress, expenditures, or the assumptions behind them. Investors cannot evaluate a company's climate goals and related risks in a vacuum without standardized information about whether the company is acting on them.

Third, on greenhouse gas emissions: the final rules require standardized, audited disclosure of material Scope 1 and Scope 2 emissions from large accelerated and accelerated filers, including phased-in assurance requirements that will give investors confidence in the reported numbers. Rescission eliminates that requirement entirely, thus eliminating the only mandatory, audited greenhouse gas metric anywhere at a time when investors have said repeatedly that inconsistent, unaudited emissions reporting is exactly what they don't trust.

3) Rescission Rests on A Legal Theory that Mischaracterizes the Final Rules and Commission's Own History

The Commission argued that it lacked the statutory authority, under the Securities Act of 1933 (Securities Act) or the Securities Exchange Act of 1934, to adopt the rules. In making this argument, it seems to incorrectly read its disclosure authority as being limited to certain items enumerated in Section 7(a) of the Securities Act, despite express language in the statute that provides for authority to ask for such other information as it determines is "necessary or appropriate in the public interest or for the protection of investors."[23] This is an unduly narrow reading of the plain language of the statute that is plainly designed to constrain the Commission's future authority, as this administration pursues rollbacks of other disclosure rules.

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https://www.federalregister.gov/documents/2024/03/28/2024-05137/the-enhancement-and-standardization-of-climate-related-disclosures-for-investors.

[21] U.S. Securities and Exchange Commission, "Rescission of Climate-Related Disclosure Rules," 91 Fed. Reg. 33,296, 33,309 (proposed June 3, 2026), https://www.federalregister.gov/documents/2026/06/03/2026-11091/rescission-of-climate-related-disclosure-rules.

[22] Andrew Jones, "Corporate Climate Disclosures and Practices: Risk, Emissions, and Targets," Harvard Law School Forum on Corporate Governance, May 3, 2025, https://corpgov.law.harvard.edu/2025/05/03/corporate-climate-disclosures-and-practices-risk-emissions-and-targets.

[23] 15 U.S. Code § 77g(a).

The rescission proposal argues that the so-called "major questions doctrine," as applied in *West Virginia v. EPA*, compels rescission. According to the Supreme Court in *West Virginia,* that doctrine applies where an agency uses a rarely invoked statutory provision to claim sweeping new regulatory power over an industry that Congress considered and declined to grant.[24] The final rules here do not fit that pattern: they do not restructure any industry, but rather require standardized disclosure of material information, the kind of requirement that has been the Commission's core practice for nearly ninety years—from the categories Congress itself enumerated in the Securities Act and Exchange Act, to the 1998 standardization of Year 2000 disclosures,[25] to the 2020 human capital[26] and 2023 cybersecurity disclosure requirements.[27] None of those required disclosures rested on a novel grant of authority; all rested on the same textual authority to require standardized disclosures so investors can compare risk across firms.

The proposal separately argues that the Commission lacks scientific expertise to evaluate climate risk and that requirements to disclose corporate oversight of climate risk intrudes on state corporate governance matters. Neither holds up: the Commission has never needed expertise in the underlying risk it requires companies to disclose (it does not, for example, independently evaluate cybersecurity vulnerabilities).

4) The Proposed Rescission Will Fragment Reporting Obligations Across States and Foreign Nations

Even a complete rescission of the final rules will not exempt most large registrants from similar or identical climate-related reporting to other authorities, eviscerating any argument that rescission alleviates allegedly undue burdens. Rescission will simply allow these other authorities to dictate what information is disclosed and leave the United States out of the picture.

California's Climate Corporate Data Accountability Act (SB 253) remains in effect and requires companies doing business in California with more than $1 billion in annual revenue to report Scope 1 and Scope 2 emissions beginning August 10, 2026—one week after the close of this comment period—with Scope 3 reporting to follow in 2027.[28] California's companion Climate-Related Financial Risk Act (SB 261) requires biennial climate risk reporting from companies with more than $500 million in revenue.[29] Internationally, the European Union simplified but did

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[24] *West Virginia v. Environmental Protection Agency*, 597 U.S. 697 (2022), https://www.supremecourt.gov/opinions/21pdf/20-1530_n758.pdf.

[25] U.S. Securities and Exchange Commission, "Statement of the Commission Regarding Disclosure of Year 2000 Issues and Consequences by Public Companies, Investment Advisers, Investment Companies, and Municipal Securities Issuers," Release No. 33-7558, July 29, 1998, https://www.sec.gov/rules/1998/07/statement-commission-regarding-disclosure-year-2000-issues-and-consequences-public.

[26] U.S. Securities and Exchange Commission, "SEC Adopts Rule Amendments to Modernize Disclosures of Business, Legal Proceedings, and Risk Factors Under Regulation S-K," press release, August 26, 2020, https://www.sec.gov/newsroom/press-releases/2020-192.

[27] U.S. Securities and Exchange Commission, "SEC Adopts Rules on Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure by Public Companies," press release, July 26, 2023, https://www.sec.gov/newsroom/press-releases/2023-139.

[28] Nixon Peabody LLP, "California Climate Disclosure Laws — SB 253 and SB 261 Status Update," March 2, 2026, https://www.nixonpeabody.com/insights/alerts/2026/03/02/california-climate-disclosure-laws-update.

[29] Nixon Peabody LLP, "California Climate Disclosure Laws — SB 253 and SB 261 Status Update," March 2, 2026, https://www.nixonpeabody.com/insights/alerts/2026/03/02/california-climate-disclosure-laws-update.

not eliminate its Corporate Sustainability Reporting Directive through the Omnibus I Directive adopted in February 2026,[30] while Brazil and Mexico began mandatory reporting aligned with the International Sustainable Standards Board (ISBB) in 2026,[31] the United Kingdom is finalizing its own sustainability reporting standards ahead of mandatory implementation,[32] and Japan has made ISSB-aligned standards available for adoption by its largest listed companies, [33] while China's three major stock exchanges have mandated sustainability reporting for large and dual-listed companies beginning with the 2025 fiscal year.[34] Large, internationally active registrants—precisely the companies for which climate risk is most material—will therefore continue to prepare climate disclosures under one or more of these regimes regardless of what the Commission does here.

Rescinding the final rules will not spare large companies the underlying cost of producing the information; it will simply mean that the information they produce is largely dictated by foreign countries rather than by a disclosure framework tailored to the needs of U.S. investors and subject to Commission oversight, while smaller, purely domestic registrants—who fall outside these other regimes—will provide investors no comparable information at all.

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Investors have made their position clear for years: voluntary, piecemeal climate disclosure does not meet their needs, and only a standardized federal framework does.[35] The Commission's mandate is investor protection, not issuer convenience. Rescinding the final rules will not make climate-related financial risk disappear; it will only make that risk harder for investors to see. The bottom line is that climate risks are real and "systemic"; that warnings are many and dire; that insurance, mortgage, and real estate markets are already affected; and that creating an information vacuum around these risks (to the economy generally, to industries specifically, and the companies individually) is a dangerous choice. Crashes build gradually and then happen all at once. Preparation matters, and information is the foundation of preparation.

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[30] White & Case LLP, "Simplified, Not Abandoned: EU Corporate Sustainability after the Omnibus I Package," 2026, https://www.whitecase.com/insight-alert/simplified-not-abandoned-eu-corporate-sustainability-after-omnibus-i-package.

[31] Impact Cubed, "Sustainable Finance Regulatory Update | Q1 2026," April 16, 2026, https://www.impactcubed.com/post/sustainable-finance-regulatory-update-q1-2026.

[32] S&P Global Sustainable1, "Where Does the World Stand on ISSB Adoption?," June 4, 2026, https://www.spglobal.com/sustainable1/en/insights/research-reports/issb-january-2026.

[33] ISS-Corporate, "Global Interest in ISSB Standards Rises Amid EU Uncertainty," November 24, 2025, https://www.iss-corporate.com/resources/blog/global-interest-in-issb-standards-rises-amid-eu-uncertainty/.

[34] Business & Human Rights Resource Centre, "China: Major Stock Exchanges Announce New Mandatory Sustainability Reporting Requirements for Listed Companies," 2026, https://www.business-humanrights.org/en/latest-news/china-major-stock-exchanges-announce-new-mandatory-sustainability-reporting-requirements-for-listed-companies/.

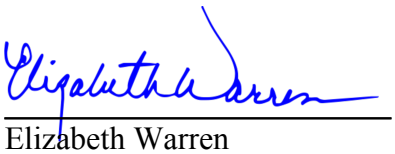
[35] Ceres, "Analysis Shows That Investors Strongly Support the SEC's Proposed Climate Disclosure Rule," June 2022, https://www.ceres.org/resources/news/analysis-shows-that-investors-strongly-support-the-secs-proposed-climate-disclosure-rule.

The Commission should withdraw the proposed rescission and retain the final climate disclosure rules. Thank you for your consideration of these issues.

Sincerely,



Sheldon Whitehouse
Ranking Member
Committee on Environment
and Public Works



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs