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:

We write in support of the Commission's proposed rescission of its 2024 climate rule, *Enhancement and Standardization of Climate-Related Disclosures for Investors*, 89 Fed. Reg. 21668 (Mar. 28, 2024), which marks a welcome return to the disclosure framework that has anchored the federal securities laws for nearly a century. The rule was flawed from the start because it exceeds the Commission's statutory authority and violates the First Amendment. Although certain specialized stakeholders have voiced strong interest in granular climate data, "investor demand" is not a proxy for the needs of reasonable investors that federal securities laws are designed to protect. The Commission has a responsibility to ensure that material information reaches the market to inform investment and voting decisions—not to gratify the informational preferences of special interests. The proposal rightly re-anchors disclosure obligations in materiality rather than activist policy objectives that are foreign to the Commission's core responsibilities of investor protection, capital formation, and the maintenance of fair, orderly, and efficient markets.

The rule lacks statutory foundation. When Congress authorized the Commission to mandate disclosure, it did so with a defined object: financially material information that bears on the investment decisions of reasonable investors. The rule fails that test. It also cannot be salvaged by pointing to the broad "public interest" and "protection of investors" language in federal securities laws, because those general terms take meaning from their statutory context, which confines them to financially material disclosures. Indeed, the Commission itself has long acknowledged that prescriptive, subject-specific reporting regimes of this granularity fall outside what Congress authorized.

The rule is also constitutionally suspect. Climate change is among the most contested issues in contemporary public debate, and the rule conscripts issuers into that debate—forcing them to adopt frameworks and convey messages they may reject or prefer to leave unsaid. The First Amendment does not tolerate that form of compelled speech. At the very least, settled principles of statutory construction direct the Commission to avoid interpreting statutes in a manner that would raise significant constitutional concerns. This reinforces that the Commission's disclosure authority extends to financially material information useful to reasonable investors, and no further.

Nor did the record identify any genuine problem for the rule to solve. The Commission mustered no persuasive showing of a systemic informational shortfall or investor injury that the rule would redress. The pre-existing disclosure regime already reaches climate matters whenever they are material, and issuers routinely furnish substantial climate-related information voluntarily where the market values it.

The rule's burdens, by contrast, are concrete and severe. Compliance would demand new data-collection architecture, scenario analysis, emissions-estimation methodologies, climate-specific governance apparatus, and recurring legal and attestation expenditures. By the Commission's own accounting, rescinding the rule will avoid $7.9 billion in initial outlays and between $1.7 and $5.6 billion in annual expenditures, and those numbers likely underestimate the true savings.

These fundamental defects mean that rescinding the rule outright, rather than attempting to revise it, is the correct and legally sound course. Reliance interests also cannot justify retaining any part of the rule, which was stayed prior to its first compliance deadline and has never operated, while the background disclosure regime continues to require any information the federal securities laws properly demand.

Finally, the Commission should take this opportunity to similarly rescind the *Commission Guidance Regarding Disclosure Related to Climate Change*, 75 Fed. Reg. 6290 (Feb. 8, 2010). Federal securities laws already obligate registrants to disclose material climate-related risks through the existing disclosure regime, without need for the rule's prescriptive mandates or for separate guidance elevating this subject over other business issues. The Commission should further state that its rescission of the rule preempts state attempts to require similar disclosures. This will help ensure that states do not attempt an end-run around the Commission's considered decision.

Sincerely,

Jason Isaac

Hon. Jason A. Isaac
President
American Energy Association