

FEBRUARY 01, 2024

CASTEN, WHITEHOUSE, VARGAS LEAD 62 COLLEAGUES IN LETTER TO APPROPRIATIONS LEADERSHIP OPPOSING ANTI-SUSTAINABLE INVESTING RIDERS

Washington, D.C. – Today, U.S. Congressman Sean Casten (IL-06), Senator Sheldon Whitehouse (D-RI), and Congressman Juan Vargas (CA-52) led 62 of their colleagues in a letter to the House and Senate appropriations leadership opposing several anti-ESG riders spread across the FY 2024 appropriations bills.

“These appropriations riders follow a dangerous trend of political interference with investing choices at the state level that are antithetical to the free-market system that has made US markets the envy of the world,” **the lawmakers wrote.** “To protect the annual appropriations process from extremist culture wars that cost our constituents their hard-earned savings and safeguard our free markets, we urge you to finalize FY 2024 appropriations bills without these dangerous political riders.”

In addition to Rep. Casten, Sen. Whitehouse, and Rep. Vargas, the letter was signed by Sens. Cory Booker, Tom Carper, Martin Heinrich, Edward Markey, Jeff Merkley, Bernie Sanders, Tina Smith, Elizabeth Warren, Peter Welch, and Ron Wyden, as well as Reps. Alma Adams, Joyce Beatty, Earl Blumenauer, Julia Brownley, Salud Carbajal, Tony Cárdenas, Troy Carter, Kathy Castor, Sheila Cherfilus-McCormick, Judy Chu, Dwight Evans, Bill Foster, Valerie Foushee, Jesús García, Daniel Goldman, Al Green, Raúl Grijalva, Chrissy Houlahan, Jared Huffman, Sara Jacobs, Pramila Jayapal, Henry Johnson, Ro Khanna, Raja Krishnamoorthi, Barbara Lee, Summer Lee, Mike Levin, Stephen Lynch, Seth Magaziner, James McGovern, Jerrold Nadler, Grace Napolitano, Eleanor Holmes Norton, Alexandria Ocasio-Cortez, Donald Payne, Scott Peters, Dean Phillips, Katie Porter, Jamie Raskin, Andrea Salinas, Jan Schakowsky, Adam Schiff, Robert Scott, Brad Sherman, Haley Stevens, Mark Takano, Rashida Tlaib, Jill Tokuda, Nydia Velázquez, Maxine Waters, Nikema Williams, and Frederica Wilson.

A copy of the letter can be found [here](#). The full text of the letter can be found below:

Dear Chairs Patty Murray and Kay Granger and Ranking Members Susan Collins and Rosa DeLauro:

Thank you for your work to finalize the outstanding FY 2024 appropriations bills before the current continuing resolution deadlines on March 1st and March 8th. As Congress works to complete this year’s federal spending bills, we write to respectfully request the exclusion of any policy rider, including those that would restrict investors’ access to information about climate and supply chain risks of publicly traded companies and interfere with government and private investment decisions.

In drafting the FY 2024 House appropriations bills, controversial partisan policy riders were included in several of the bills, which are necessary for funding our government’s most basic operations. On this laundry list of partisan policy riders is a series of provisions attacking any effort by a federal agency to inform investors, public pension and retirement fund managers, and government procurement officials about known financial risks. These policy riders are contrary to what the American public wants. According to recent nationwide polling, a majority of

voters oppose Congress imposing limits on the type of information about a corporation's business record that is disclosed to pensions and retirement fund managers, investors, and the public. However, these policy riders, listed below, are sprinkled throughout the various bills, including: Labor, Health and Human Services and Education; Financial Services and General Government; Defense; and Commerce, Justice, and Science.

Due to significant investor demand, many publicly traded companies report their climate disclosure and the world's largest asset managers track the information closely – institutional investors spend more than \$1.3M per year to collect and analyze this data. Attacks against efforts to expand and standardize climate disclosure are thus interfering with our constituents' freedom to invest. Political interference to limit consideration of certain risks and opportunities that companies, investors, and asset managers may consider undermines Americans' confidence that the fiduciaries responsible for public treasury, pension, and retirement funds are maximizing returns and avoiding known risks.

Anti-Sustainable Investing Riders in House FY 2024 Appropriations Bills

1. **The Federal Employee Benefits Environmental, Social, and Governance (ESG) Investing Rider** would block implementation of the U.S. Department of Labor's rule which allows private retirement plans to consider financially material ESG data, which has been the subject of failed Congressional Review Act attempts (H.R. 5894, Sec. 11)
2. **The Climate Disclosure Rider** would prohibit the use of funds to finalize or enforce the SEC's proposed climate disclosure rule. The rule would deliver climate-related disclosures in corporate registration statements, periodic reports, and audited financial statements –including information about climate-related risks that are likely to have a material impact on their business, results of operations, or financial condition. It would also include the disclosure of greenhouse gas emissions (H.R. 4664, Sec. 550)
3. **The ESG Retirement Investing Rider** would block the Thrift Savings Plan – a retirement savings and investment plan for federal employees and uniformed service members similar to a 401(k) in the private sector – from investing in mutual funds that consider ESG criteria (H.R. 4664, Sec. 753)
4. **The Defense Contractor Climate Emissions Rider** would block funding for a rule to require federal defense contractors to disclose their greenhouse gas emissions and climate-related financial risks and set science-based targets to reduce their emissions (H.R. 4365, Sec. 8146)
5. **The ESG Rider** would prohibit funding for the promotion of and any contributions to ESG investments (H.R. 5893, Sec. 564)

These appropriations riders follow a dangerous trend of political interference with investing choices at the state level that are antithetical to the free-market system that has made US markets the envy of the world. These actions, fueled by groups like the American Legislative Exchange Council (ALEC), are costing those states' residents billions of dollars, jeopardizing Americans' hard-earned retirement savings by restricting the consideration of mainstream environmental, social, and governance investment metrics, and forcing state pension systems to divest from companies that consider these metrics.

To protect the annual appropriations process from extremist culture wars that cost our constituents their hard-earned savings and safeguard our free markets, we urge you to finalize FY 2024 appropriations bills without these dangerous political riders.

Thank you for your consideration of this urgent request.

Sincerely,

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