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ONE HUNDRED ELEVENTH CONGRESS

Select Committee on
Energy Independence and Global Warming
U.S. House of Representatives
Washington, DC 20515

EDWARD J. MARKEY, MASSACHUSETTS
CHAIRMAN

February 12, 2010

The Honorable Mary L. Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Schapiro:

I am writing to express my concern regarding the Securities and Exchange Commission's (SEC) January 27 "interpretive release" regarding disclosure of climate change matters. The SEC, on a 3-2 vote, approved the release for companies to disclose how climate change would impact assets and the consequences of regulations curbing greenhouse gas emissions. While "interpretive releases" do not carry the full force of law, public companies consider such releases binding.

As the Ranking Member on the Select Committee on Energy Independence and Global Warming, I am greatly troubled by the precedent this vote establishes. I have closely followed both domestic and international climate politics for over 15 years. The only certainty to date is the uncertainty. Businesses should, of course, disclose material impacts on their bottom line, but singling out climate change and pressuring businesses to discuss even potential impacts seems to serve no purpose other than to increase global warming hysteria. The press release[1] accompanying the decision raised several points which may trigger disclosure requirements. Specifically:

> "Whether the impact of certain existing laws and regulations regarding climate change is material…a company should also evaluate the potential impact of pending legislation and regulation related to this topic." Considering the uncertain future of climate legislation and drastically different analysis of the proposed bills, it is an undue burden to ask companies to authoritatively or accurately disclose legislative or regulatory implications of pending legislation or regulation.

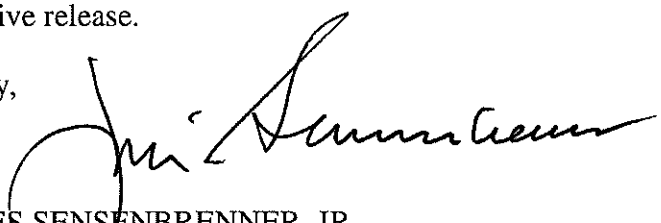
[1]SEC Issues Interpretive Guidance on Disclosure Related to Business or Legal Developments Regarding Climate Change, January 27, 2010, *available at* http://sec.gov/news/press/2010/2010-15.htm

"Impact of international accords." As the recent United Nations Framework Convention on Climate Change (UNFCCC) meeting in Copenhagen, Denmark, displayed international negotiations to develop a binding agreement are in discord. Given the unlikelihood of a binding international accord, firms should not be required to speculate on the ongoing UNFCCC negotiations.

"Physical impacts of climate change." As noted by Commissioner Casey in her January 27 statement, "the [scientific] debate remains vigorous, and revelations in recent months have called into question the integrity of key data and the credibility of the science underlying some climate change theories and predictions." The recent "ClimateGate" scandal and revelation that the U.N.'s Intergovernmental Panel on Climate Change knowingly accepted unfounded scientific evidence in reference to the melting of the Himalayan glaciers have cast doubt on the credibility of much of the underlying climate science. The business community should not be thrust into the ongoing rigorous debate in the scientific community.

I appreciate your consideration of my concerns and urge you to reconsider your recent interpretive release.

Sincerely,



F. JAMES SENSENBRENNER, JR.
Ranking Member
Select Committee on Energy Independence and Global Warming