Securities and Exchange Commission
Office of the Secretary
100 F Street NE
Washington, DC 20549
Filed via: SEC's own comment portal at https://www.sec.gov/rules/submitcomments.htm or email to rulecomments@sec.gov (SEC does NOT accept comments through Regulations.gov for this rulemaking â€" comments on this proposal must be filed directly with the Commission through its internet comment form or by email, not through Regulations.gov, which does not host this docket)

Re: Release Nos. 33-11421 and 34-105572; File No. S7-2026-19; RIN 3235-AN76 â€" Rescission of Climate-Related Disclosure Rules
Regulations.gov reference: SEC-2026-3401-0001 (record copy only; non-participating agency, file directly with the SEC)

Comment deadline: August 3, 2026

To the Commission:

I write in opposition to the Commission's proposal to rescind the climate-related disclosure amendments to Regulation S-K and Regulation S-X that the Commission adopted in March 2024 and published for reconsideration on June 3, 2026, at File No. S7-2026-19. The Commission's disclosure authority under Section 7(a)(1) of the Securities Act of 1933, codified at 15 U.S.C. 77g(a)(1), Section 19(a) of the Securities Act, codified at 15 U.S.C. 77s(a), and Sections 12, 13, and 23(a)(1) of the Securities Exchange Act of 1934, codified at 15 U.S.C. 78l, 78m, and 78w(a)(1), has never been limited to a fixed inventory of disclosure topics existing in 1933 or 1934. That authority is defined functionally, by reference to what a reasonable investor would consider important in making an investment or voting decision, the standard the Supreme Court articulated in TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438 (1976), holding that an omitted fact is material if there is a substantial likelihood that a reasonable investor would have viewed it as significantly altering the total mix of information made available. The Commission's proposing release asserts that the 2024 rules "exceed the Commission's statutory authority" and reflect a "dramatic overreach," but it does not identify any change in the governing statutory text or in the TSC Industries materiality standard since March 2024 that would justify recharacterizing rules adopted under that same authority as ultra vires. A rule's status as intra vires or ultra vires does not turn on the passage of an intervening presidential administration.

The proposing release's central substantive claim, that climate-related information is not material because it is desired only by a subset of investors pursuing particular strategies, is factually unsupported and contradicted by developments in the capital markets that the release does not address. Credit rating agencies now incorporate climate risk directly into the credit analysis that determines the cost of capital for issuers: Moody's publishes Issuer Profile Scores and Credit Impact Scores for more than fifteen thousand rated entities that explicitly reflect transition risk, physical risk, and related environmental exposures, and its published climate-adjusted probability-of-default modeling treats physical hazards such as hurricanes and wildfires, and transition exposures such as carbon pricing, as inputs to creditworthiness rather than as extraneous policy preferences. Property insurers have independently priced physical climate risk into underwriting decisions in a manner that bears directly on the balance-sheet exposure of registrants with real estate, energy, and infrastructure assets: reporting compiled by the Senate Budget Committee and by the New York Times documents widespread nonrenewal of homeowners' and commercial policies in wildfire- and hurricane-exposed regions, and insurers in California and Florida have withdrawn from or restricted underwriting in high-risk markets because reconstruction and claims costs from extreme weather have made those markets unprofitable at previously available premiums. Academic surveys of institutional investors, including the peer-reviewed study "The Importance of Climate Risks for Institutional Investors" and related work on climate risk disclosure and institutional ownership published in the Review of Financial

Studies, document that large asset managers treat both physical and transition climate risk as inputs to valuation and portfolio risk management, not as a preference collateral to investment analysis. A materiality determination that ignores how the entities that price credit risk, insurance risk, and portfolio risk actually behave in the market is not a reasoned materiality determination.

The proposing release's alternative rationale, that existing line items such as Item 101, Item 103, Item 105, and Item 303 of Regulation S-K, together with the antifraud provisions and financial statement accounting standards, already elicit whatever climate information is material, does not engage with the Commission's own 2024 finding that principles-based disclosure under those same line items had produced inconsistent, incomplete, and non-comparable climate disclosure across registrants, which was the evidentiary basis for adopting a more structured framework in the first place. Sections 553(b) and (c) of the Administrative Procedure Act, codified at 5 U.S.C. 553(b) and (c), require that a rule rest on reasoned consideration of the record before the agency, and the Supreme Court held in Motor Vehicle Manufacturers Association v. State Farm Mutual Automobile Insurance Co., 463 U.S. 29 (1983), that an agency rescinding an existing rule must supply a reasoned analysis for the change that is at least as robust as the analysis required to adopt a rule in the first instance, because a settled rule embodies the agency's considered judgment that the policy it reflects is correct, and because rescission is reviewed under the same arbitrary-and-capricious standard as adoption rather than under the more permissive standard applicable to an agency's refusal to act. The State Farm Court further held that an agency acts arbitrarily when it offers an explanation that runs counter to the evidence before it or entirely fails to consider an important aspect of the problem. The Commission's 2024 adopting release contains extensive findings, drawn from thousands of comment letters and from data on existing voluntary climate reporting, that investors use climate-related metrics to price risk and that voluntary disclosure regimes produced inconsistent and non-comparable information. The 2026 proposing release does not identify new data showing that finding to be wrong; it substitutes a policy preference for prescriptive, registrant-specific disclosure for the evidentiary record the Commission itself built two years earlier, without reconciling the two.

The proposing release's assertion that rescission raises no reliance-interest concerns because the 2024 rules were stayed and never took effect similarly does not resolve the reasoned-decisionmaking problem. The absence of reliance interests bears on the remedy available to challengers, not on whether the agency has justified reversing its own factual findings about materiality and investor need. An agency may not evade State Farm's reasoned-explanation requirement by rescinding a rule before its compliance date takes effect; the requirement attaches to the agency's reversal of its own evidentiary conclusions, not to the calendar date on which the rule was to become operative.

Because the statutory materiality standard under Section 7(a)(1) of the Securities Act and Sections 12 and 13 of the Exchange Act has not changed since 2024, because the Commission has not shown that credit rating agencies, insurers, and institutional investors have ceased treating climate-related physical and transition risk as financially material, and because the proposing release does not confront, let alone rebut, the Commission's own 2024 evidentiary findings on comparability and investor demand, the proposed rescission fails the reasoned-decisionmaking standard of 5 U.S.C. 553(c) and State Farm. I urge the Commission to withdraw this proposal or, at minimum, to supplement the record with a reasoned response to the materiality evidence described above before taking further action on File No. S7-2026-19.

Respectfully submitted,
Concerned Citizen