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Washington, D.C. 20004

May 11, 2022

The Honorable Gary Gensler, Chair
c/o Vanessa A. Countryman, Secretary
File No. S7-10-22, RIN 3235-AM87
Securities and Exchange Commission
100 F St. NE
Washington, DC 20549-1090

Dear Mr. Chairman:

RE: SEC Notice of Proposed Rulemaking titled "The Enhancement and Standardization of Climate-Related Disclosures for Investors,"
File No. S7-10-22, RIN 3235-AM87, 87 *Fed. Reg.* 21334 (April 11, 2022)

This letter presents comments of the National Federation of Independent Business (NFIB) on the Securities and Exchange Commission (SEC) notice of proposed rulemaking titled "The Enhancement and Standardization of Climate-Related Disclosures for Investors" and published in the *Federal Register* of April 11, 2022. NFIB asks the SEC to take care, in formulating its final rule on climate-related disclosures, to ensure that the impact of the rule does not extend beyond the companies that the SEC regulates. In particular, the rule should not require SEC-regulated companies to obtain climate-related information from non-SEC-regulated businesses, such as small and independent businesses, that supply them with goods or services. Small and independent businesses cannot afford the burden and expense of tracking and reporting climate-related information. And, unlike larger businesses, small and independent businesses cannot afford the experts, accountants, and lawyers needed to comply with complex government reporting regimes; regulatory compliance often is a do-it-yourself project for an already overburdened small business owner.

NFIB is an incorporated nonprofit association representing small and independent businesses. NFIB protects and advances the ability of Americans to own, operate, and grow their businesses and ensures that governments of the United States and the fifty states hear the voice of small business as they formulate public policies. Unless the SEC takes great care to protect non-SEC-regulated small and independent businesses from its rule, the rule could have a substantial adverse financial impact on them.

Protection of small and independent businesses merits the SEC's attention. As President Biden has said:

Small businesses are critical to our success as a Nation. They make up 90 percent of businesses in the United States, employ nearly half of America's private sector workers, and create two-thirds of new jobs, and bring opportunity to every corner of our Nation.¹

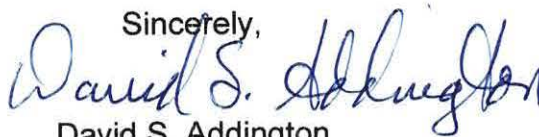
The White House also has noted that small businesses "account for 44 percent of U.S. GDP."²

NFIB's request for the SEC to consider carefully the needs of small and independent businesses has, in addition, the support of statutory policy. In paragraph 2(a)(4) of the Regulatory Flexibility Act³ (RFA), Congress declared that "the failure to recognize differences in the scale and resources of regulated entities has in numerous instances adversely affected competition in the marketplace, discouraged innovation and restricted improvements in productivity" Congress also noted in paragraph 2(a)(6) of the RFA that "the practice of treating all regulated businesses, organizations, and governmental jurisdictions as equivalent may lead to inefficient use of regulatory agency resources, enforcement problems, and, in some cases, to actions inconsistent with the legislative intent of health, safety, environmental and economic welfare legislation"

NFIB appreciates this opportunity to draw to the SEC's attention the importance of protecting non-SEC-regulated small and independent businesses from any potential adverse impact from the final rule for SEC-regulated companies on climate-related financial disclosures. The SEC should ensure that its mission does not creep beyond its statutory limits to purport to regulate small and independent businesses.

Please keep small and independent businesses in your mind and out of your grasp.

Sincerely,



David S. Addington

Executive Vice President and General Counsel

¹ Presidential Proclamation No. 10187, 86 *Fed. Reg.* 22339 (April 23, 2021) (World Intellectual Property Day).

² White House Fact Sheet: Biden-Harris Administration Increases Lending to Small Businesses in Need, Announces Changes to PPP to Further Promote Equitable Access to Relief (February 22, 2021) (available at <https://www.whitehouse.gov/briefing-room/statements-releases/2021/02/22/fact-sheet-biden-harris-administration-increases-lending-to-small-businesses-in-need-announces-changes-to-ppp-to-further-promote-equitable-access-to-relief/?msockid=935daf0ad12a11ecb8023b2209d859a3>) (visited May 11, 2022).

³ Public Law 96-354, 5 U.S.C. 601 note.