

February 25, 2021

The Honorable Dr. Janet L. Yellen  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Dear Secretary Yellen,

We, the over 145 undersigned organizations, wish you a warm congratulations on your confirmation and express our eagerness to work with you to tackle the climate crisis. We are writing to encourage you to create a robust, well-staffed climate hub at Treasury led by a senior-level person reporting directly to you and to express our concern that the principal position has yet to be created and filled.

As organizations and businesses dedicated to protecting our communities and our economy from the impacts of climate change, we were encouraged by your commitment during your confirmation hearing to “create a hub” at the Treasury Department focused on climate with a “very senior-level” role to lead it.<sup>1</sup> We’ve been heartened to see reports indicating that you understand that in order to implement President Biden’s whole-of-government approach to climate, we need someone with deep regulatory expertise and experience at the Federal Reserve and the Treasury Department to drive and coordinate an effective agenda among financial regulators.<sup>2</sup>

As you well know, climate change poses a clear threat to the financial system and the economy. Deliberate, organized, and coordinated action from the market and banking regulators is especially urgent as the U.S. has fallen behind. We currently lag many other countries in terms of incorporating climate into our financial regulatory frameworks or exploring the needed changes to our monetary policy to account for climate risk. Wall Street firms stand out on the global stage for fueling the climate crisis with their outsize support for fossil fuels and deforestation-risk commodities.<sup>3</sup> These companies' activities constitute a central part of our

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<sup>1</sup> *Hearing on the Nomination of Janet L. Yellen to be Secretary of the Treasury*, United States Senate Committee on Finance (January 2021). (In response to a question from Senator Sheldon Whitehouse, who asked, “I’m wondering where your senior-level climate person will be in the Department of Treasury. There’s no specific office. How are you going to staff addressing climate at the most senior levels of Treasury?” Secretary Yellen replied: “I will look to appoint someone at a very senior-level to lead our efforts and to create a hub within Treasury in which we particularly focus on financial system related risks and tax policy incentives toward climate change.”)

<sup>2</sup> Kate Davidson, *Yellen Is Creating a New Senior Treasury Post for Climate Czar*, Wall Street Journal (February 2021),

<https://www.wsj.com/articles/yellen-is-creating-a-new-senior-treasury-post-for-climate-czar-11613138479>.

<sup>3</sup> Rainforest Action Network, *Banking On Climate Change: Fossil Fuel Finance report* (March 2020), [https://www.ran.org/wp-content/uploads/2020/03/Banking\\_on\\_Climate\\_Change\\_2020\\_vF.pdf](https://www.ran.org/wp-content/uploads/2020/03/Banking_on_Climate_Change_2020_vF.pdf); and Amazon Watch and Friends of the Earth, *BlackRock’s Deforestation Problem*, (November 2019), <https://amazonwatch.org/assets/files/2019-blackrocks-big-deforestation-problem.pdf>.

country's carbon footprint. Many financial institutions are making pledges for net-zero financed emissions by 2050, but 2050 commitments are trivial and wholly insufficient compared to 2021 action on fossil fuels and deforestation, the two main drivers of climate change.

We cannot rely exclusively on market actors to solve the climate crisis, nor on financial engineering or voluntary corporate commitments. We agree with European Central Bank (ECB) President Christine LaGarde that “in the face of market failures to price in carbon risk” *all* central banks must ask themselves if they are “taking excessive risk by simply trusting mechanisms that have not priced in the massive risk” of climate change.<sup>4</sup>

The climate movement is focused on the role of financial oversight and regulation like never before. Regulators must address not only the risk that climate change poses to financial institutions and the system, but also the risk financial institutions inject into the economy through their high-carbon financing. And they must address the disproportionate impact of reckless carbon-polluting finance on the largely low-income communities of color who bear the brunt of climate harms.<sup>5</sup>

Assuring U.S. climate-finance leadership will require a very senior Treasury hire devoted full-time to integrating climate thoroughly and effectively into financial regulatory missions. This official will drive strategy and coordination, regularly gathering the financial regulators, ensuring the U.S. has a coordinated climate finance plan, working with Congress to rationalize current and proposed tax credits and subsidies, and engaging with our central bank and financial regulatory counterparts throughout the world. These actions are especially urgent in the lead up to the next Conference of Parties in Glasgow in November this year, which has been dubbed the “Finance COP.”

We urge you to create a Treasury climate hub as soon as possible and appoint a leader who can deliver on President Biden’s commitment to an equitable clean energy future by urgently addressing the financial stability risks from climate change. This can only be accomplished by hiring a proven leader with the depth and breadth the position demands: extensive regulatory experience; deep understanding of monetary policy; underlying expertise on climate finance across agencies; extensive relationships among regulators, central bankers, affected communities, and movements; and a dedicated commitment to the public interest, which in the case of climate change includes limiting global warming to 1.5°C.<sup>6</sup>

We look forward to working with you and a climate finance hub leader to assure the U.S. leapfrogs into being the global leader it can and should be.

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<sup>4</sup> Christine Lagarde, United Nations Environment Programme Finance Initiative, October 14, 2020, <https://www.youtube.com/watch?v=xtMYoRvxesg>.

<sup>5</sup> Environmental Justice Atlas, (last accessed February 21, 2021), <https://ejatlas.org/country/usa/>.

<sup>6</sup> “The central objective of the Paris Agreement is its long-term temperature goal to hold global average temperature increase to “well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.” Paris Agreement Art. 2(a).

Sincerely,

**National Groups:**

350.org  
Action Center on Race and the Economy  
Amazon Watch  
American Sustainable Business Council  
Americans for Financial Reform  
Amnesty International USA  
Anthropocene Alliance  
Azul  
BankFWD  
Better Markets  
Biodiversity For A Livable Climate  
Blue Future  
Businesses for a Livable Climate  
CatholicNetwork.US  
Center for Biological Diversity  
Center for Digital Democracy  
Ceres  
Climate Finance Action  
Climate Hawks Vote  
Climate Trace  
Consumer Federation of America  
Cultivate America  
Data for Progress  
Dayenu: A Jewish Call to Climate Action  
Demand Progress Education Fund  
Democracy Collaborative  
E2 (Environmental Entrepreneurs)  
Earth Action, Inc.  
Earthworks  
Environmental Defense Fund  
Food & Water Watch  
FracTracker Alliance  
Friends of the Earth U.S.  
Future Coalition  
Global Financial Markets Center  
GreenLatinos  
Greenpeace US  
Hip Hop Caucus

IfNotNow  
Indigenous Environmental Network  
Indivisible  
Institute for Agriculture and Trade Policy  
Institute for Policy Studies Climate Policy Program  
Interfaith Power & Light  
Justice Democrats  
League of Conservation Voters  
Majority Action  
Maryknoll Office for Global Concerns  
National Children's Campaign  
National Coalition for Asian Pacific American Community Development  
National Community Reinvestment Coalition  
National Consumer Law Center (on behalf of its low-income clients)  
National Fair Housing Alliance  
National Whistleblower Center  
Nuclear Information and Resource Service  
OCA - Asian Pacific American Advocates  
Oceanic Preservation Society  
Oil Change International  
Our Revolution Hawaii  
People's Justice Council  
Progressive Change Campaign Committee  
Public Advocacy for Kids (PAK)  
Public Citizen  
Rainforest Action Network  
Rapid Shift Network  
Revolving Door Project  
Sierra Club  
Stand.earth  
Stop the Money Pipeline  
Sunrise Movement  
Sunrise Project US  
Take on Wall Street  
The Forum for Youth Investment  
The YEARS Project  
U.S. PIRG  
Union of Concerned Scientists  
Unitarian Universalist Ministry for Earth  
Unitarian Universalists for a Just Economic Community  
WATERSPIRIT  
Wild Earth Institute, Inc.  
Working Families Party  
Young Entertainment Activists (YEA!)

Zero Hour

**International Groups:**

Center for International Environmental Law  
Citizens' Climate International  
Climate Bonds Initiative  
Extinction Rebellion Boston  
GreenFaith  
Network for Sustainable Financial Markets  
New Economics Foundation  
Oxfam America  
Sisters Health & Wellness Collective  
SumOfUs  
Women's Earth and Climate Action Network (WECAN)

**State and Local Groups:**

Accokeek, Mattawoman, Piscataway Creeks Communities Council  
Berks Gas Truth  
Better Path Coalition  
Breathe Easy Susquehanna County  
California Reinvestment Coalition  
Call to Action Colorado  
Clean Energy Action  
Connecticut Citizen Action Group  
Extinction Rebellion San Francisco Bay Area  
Extinction Rebellion Silicon Valley  
Fossil Free California  
Green Education and Legal Fund  
Long Beach Alliance for Clean Energy  
Mainers for Accountable Leadership  
Milwaukee Riverkeeper  
Mosquito Fleet  
New Energy Economy  
New York Communities for Change (NYCC)  
North Carolina Council of Churches  
North Carolina Interfaith Power & Light  
Occupy Bergen County (New Jersey)  
Our Revolution Michigan  
Physicians for Social Responsibility Pennsylvania  
SanDiego350  
Science For the People - Twin Cities  
SEE-LA (Social Eco Education-LA)  
SoCal 350 Climate Action

Sunflower Alliance  
Texas Campaign for the Environment  
Texas Impact  
Volusia Climate Action  
Washtenaw350  
Women's March Ann Arbor  
Woodstock Institute  
350 Brooklyn  
350 Butte County  
350 Central Mass  
350 Colorado  
350 Conejo / San Fernando Valley  
350 Dallas  
350 Eugene  
350 Everett, WA  
350 Hawaii  
350 Kishwaukee  
350 Maine  
350 Massachusetts for a Better Future  
350 Montgomery County  
350 NYC  
350 PDX  
350 Seattle  
350 Silicon Valley  
350 South Florida  
350 Tacoma  
350 Triangle