STOP THE MONEY PIPELINE

November 11, 2020

Dear President-Elect Joseph Biden,

The Stop The Money Pipeline Coalition (STMP) congratulates you on becoming the 46th President of the United States.

Our coalition represents more than 130 organizations that are committed to addressing the climate emergency by ensuring that subsidies, funding, investment and other financial support to the fossil fuel industry is brought to an end.

This can only be done through public and private sector commitments to no longer fund the destruction of our planet. A key first step for your Administration to address the climate crisis is to ensure that all financial-sector appointees to your Administration are fully vetted regarding their commitment to shifting at full speed into economic principles and practices which completely support renewable energy and fully divest from the fossil fuel industries.

STMP has developed a list of criteria and questions designed to help vet potential financial regulatory agencies and Treasury appointees to your incoming administration. It is our sincere hope that you will adopt these criteria as you establish an administration that is able and committed to fulfilling your campaign promises to save our planet.

Alec Connon & Amy Gray, Co-coordinators of the Stop The Money Pipeline Coalition

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Stop the Money Pipeline Criteria and Questions for Possible Appointees

President-elect Joe Biden won with a strong climate mandate. To fulfill that mandate, he must pursue an all-of-government approach, with financial departments and agencies playing key roles.

This document outlines criteria and questions for ensuring that Treasury Department and financial regulatory agency appointees align with the voters' decisive climate mandate.

Criteria

<u>The Biden administration should only put forward appointees who:</u>

- Demonstrate they understand climate change is an existential crisis and that it is incumbent upon government actors to use the tools available to them in their particular role to address it;
- Demonstrate they believe climate change threatens individual financial institutions, the financial system, and the broader economy, and that financial regulators and the Treasury Department have an obligation to address it;
- Strongly believe the relevant agency or department's mission requires it to take on climate change;
- Demonstrate they believe regulation and policy to address climate risk requires more than disclosure, stress tests, and voluntary market action, it requires substantive regulation to curb fossil fuel and deforestation-risk finance;
- Are willing to engage with affected communities and work with movements;
- Have a proven commitment to the public interest, which in the case of climate change includes limiting global warming to 1.5ºC;
- Have a proven ability to creatively apply the tools of government; and
- Reflect the diversity of identity and experience of the country, including (but not limited to) economic, demographic, race, ethnicity, class, sexual orientation, gender identity, ability, and other diverse attributes and/or life experiences.

<u>The Biden administration should avoid putting forward any appointees who:</u>

- Have recently been a corporate executive, lobbyist, or prominent corporate consultant, particularly in financial industry firms, fossil fuel companies, or their industry associations;
- Demonstrate a willingness, through affiliations or sympathies with abusive or extractive institutions and corporations, to promote interests at odds with the well-being of workers, consumers, people of color, the environment, small businesses, and communities;
- Hold policy positions at odds with the public good, which in the case of climate change means policy positions that fail to limit global warming to 1.5ºC;
- Have a record of using public service for personal gain;
- Demonstrate a strong likelihood to work in a regulated industry after a stint in government and, in so doing, tilt outcomes toward the industry and away from the preferences of democratically-elected government; or
- Believe that mandated disclosure of climate-related financial risk alone is sufficient regulatory or policy intervention.

Questions

Especially in cases where a possible appointee's track record is not sufficient to evaluate the above criteria, the following questions should be asked. **Any and all presidentially appointed and Senate-confirmed positions — but especially principals and deputies — *must be able to answer yes*** to all of the following:

- Is climate change a threat to financial stability?
- Does the relevant agency or department's mission require working to mitigate climate threats?
- Does financial regulation and policy that will ensure the stability of the system require more than just stress tests and disclosure, such as formal regulation and limits on financial flows to fossil fuels?
- Should oversight of financial institutions encompass the risk that climate change poses to those institutions and the financial system as a whole?
- Should oversight and regulation of financial institutions encompass their climate impact: that is, their contributions to climate change and climate risk through their lending, underwriting, investment, and other services?
- Should financial regulation and policy seek to redress the cumulative impact caused by fossil fuels and fossil fuel finance on frontline communities?

Appointees ***should say yes*** to the following:

- Should all financial companies be required to commit to a 1.5ºC target and publish a transition plan?
- Does the U.S. government need to adjust frameworks on which banks refinance themselves to ensure banks stop lending to fossil fuel expansion?
- Should future quantitative easing and bond-buying exclude fossil fuels?
- Should the U.S. government ensure that all financial institutions, including insurers, asset managers, and banks, phase out the engagement with fossil fuels consistent with a 1.5ºC pathway?

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