

March 30, 2021

The Honorable John Kerry
Special Presidential Envoy for Climate
United States State Department
2201 C Street NW
Washington, DC 20520

Dear Special Presidential Envoy for Climate John Kerry,

We the 145 undersigned organizations, many of which are members of the Stop The Money Pipeline coalition, wish to welcome you to your new role. The creation of your position, and your long history of leadership on climate change, is an important sign of the commitment the Biden administration has to achieving a 100% clean energy economy. We look forward to working with you to ensure we protect the workers and the communities on the frontlines of the climate crisis. **Today we write to request your support and leadership in urgently addressing one of the most important and overlooked drivers of climate change: ending the flow of private finance from Wall Street to the industries driving climate change around the world — fossil fuels and forest-risk commodities.**

As Bill McKibben has written, “money is the oxygen on which the fire of global warming burns.”¹ Since the Paris Agreement was signed, that fire has been raging: \$3.8 trillion from global banks has flowed to fossil fuels from 2016-2020;² over that same period, global banks invested over \$191 billion in forest-risk commodities worldwide.³ The largest fossil fuel lenders, insurance providers, and institutional investors are all U.S.-headquartered firms. JPMorgan Chase has been the largest fossil fuel banker in the world by a wide margin in recent years.⁴ Companies like Liberty Mutual, AIG, and Chubb exacerbate climate risks by supporting increasingly risky fossil fuel development. And the U.S. asset managers Vanguard and BlackRock are the largest investors in the global coal industry by a wide margin,⁵ and hold roughly \$12 billion in deforestation-risk soft commodities.⁶ **In order for the U.S. to demonstrate global climate leadership, we must take action to end financing of fossil fuels and deforestation around the world by U.S. firms and entities.**

That is why we applauded President Biden’s executive order directing you and Treasury Secretary Yellen to develop a U.S. climate finance plan,⁷ and why we were encouraged when you said this plan will include “ending international financing of fossil fuel projects with public money.”⁸ If this plan is robust and is implemented well, it would be a critical first step towards establishing international leadership on fossil fuel finance.

However, in order to credibly take on this challenge, we must recognize that Wall Street is not yet an ally — as long as U.S. firms continue to pour more money into the drivers of climate change, they are actively undermining President Biden’s climate goals. From new venture capital firms that

¹ Bill McKibben, “[Money Is the Oxygen on Which the Fire of Global Warming Burns](#),” *The New Yorker*, Sept. 2019

² Oil Change International, Rainforest Action Network, Indigenous Environmental Network, BankTrack, Reclaim Finance, Sierra Club, “[Banking On Climate Chaos: Fossil Fuel Finance](#),” Mar. 2021

³ Data available at [forestsandfinance.org](#), a project led by Rainforest Action Network and Profundo

⁴ Oil Change International, Rainforest Action Network, Indigenous Environmental Network, BankTrack, Reclaim Finance, Sierra Club, “[Banking On Climate Chaos: Fossil Fuel Finance](#),” Mar. 2021

⁵ Urgewald, “[Groundbreaking Research Reveals the Financiers of the Coal Industry](#),” Feb. 2021

⁶ Friends of the Earth, “[Doubling Down on Deforestation](#),” Sept. 2020

⁷ White House, “[Executive Order on Tackling the Climate Crisis at Home and Abroad](#),” Jan. 2021

⁸ Special Envoy for Climate John Kerry, “[Mobilizing Action on Climate Change](#),” World Economic Forum, Jan. 2021 (“President Biden will sign another series of Executive Orders that continue to advance his climate agenda [...] by directing his administration to develop a US climate finance plan, as well as a plan for ending international financing of fossil fuel projects with public money.”)

are trying to turn nature itself into a commodity;⁹ to private equity firms like Blackstone that are deeply invested in fossil fuels;¹⁰ to asset managers like BlackRock, which holds nearly \$61 billion in equity in four of the largest global oil companies,¹¹ U.S. financial firms are a long way from the leading edge of climate justice. Meanwhile, new financial products touted as mechanisms for financing green energy, such as the “blank check” special-purpose acquisition companies (SPACs) that you recently praised,¹² pose a real threat to the financial system by evading long-standing rules and creating misaligned incentives between issuers and investors.¹³ Financial engineering will not stop the climate crisis — we need coordinated action by financial regulators combined with market shifts in order to achieve our climate goals.

We were therefore disappointed to see that Mark Gallogly may be appointed to your team. Mr. Gallogly spent 16 years at Blackstone — the world’s largest private equity firm and a major investor in fossil fuels¹⁴ — and mentored four executives who currently sit on Blackstone’s management committee.¹⁵ He co-founded the private equity and hedge fund group Centerbridge Partners in 2005, which pushed austerity in Puerto Rico in order to prioritize repayment of the distressed debt it purchased at a steep discount.¹⁶ Centerbridge also profited off the California wildfires, purchasing stock in Pacific Gas and Electric Company following the 2018 Camp Fire (the deadliest in the state’s history), along with PG&E insurance claims. Centerbridge then loaned money to the attorney representing the wild fire victims via a loan facility.¹⁷ While Centerbridge and other funds that purchased insurance claims received an \$11 billion all-cash settlement,¹⁸ half of the fire victims claims were paid out in stocks that have since lost value.¹⁹ This background in private equity, combined with the many concerns our coalition partners have expressed over his past work at Centerbridge,²⁰ lead us to believe Mr. Gallogly will not approach Wall Street with the appropriate level of diplomatic pressure. We are concerned that he will instead seek to cut deals that will greenwash the damage these institutions are doing to our shared goal of ensuring a safe climate. **A climate action approach that seeks to partner with Wall Street without also holding it accountable is no longer credible in 2021.**

Ultimately, we believe that in order for the United States to be credible as a global leader on climate, we must seriously address Wall Street’s financing of fossil fuels. To do so would require the following commitments:

- **Push U.S. and international financial institutions to commit to ending fossil fuel and forest-destroying financing and insurance beyond inadequate, pre-emptive commitments.** While a growing number of financial firms and insurers are making commitments such as becoming net-zero by 2050, many of these commitments rely on problematic offsets or carbon capture and storage, and targets — when they exist — far out in the future. We need your advocacy to push them to do more and to do it sooner. This includes an immediate end to financing for fossil fuel expansion, a complete exit from

⁹ Simon Jessop, “[HSBC teams up with Pollination for 'natural capital' venture](#),” *Reuters*, Aug. 2020

¹⁰ Private Equity Stakeholder Project, “[Blackstone Drills Deeper as Investors Shift Away from Fossil Fuels](#),” Oct. 2020

¹¹ Institute for Energy Economics & Financial Analysis, “[Inaction is BlackRock’s Biggest Risk During the Energy Transition](#),” Aug. 2019 (cites Mercer report)

¹² Hannah Miao, “[Biden climate envoy John Kerry talking to banks, asset managers about mobilizing capital for clean energy](#),” *CNBC*, Mar. 2021

¹³ Americans for Financial Reform, “[Letter to the House Financial Services Committee Urging Congress to Address Risks in Growing SPAC Mania](#),” Feb. 2021

¹⁴ Private Equity Stakeholder Project, “[Blackstone Drills Deeper as Investors Shift Away from Fossil Fuels](#),” Oct. 2020

¹⁵ William Louch, “[Centerbridge Co-Founder Mark Gallogly Prepares to Retire](#),” *The Wall Street Journal*, Nov. 2019

¹⁶ Alexander Sammon, “[Pete’s Puerto Rico Problem](#),” *The American Prospect*, January 3, 2020

¹⁷ Ivan Penn & Peter Eavis, “[PG&E’s Settlement With Wildfire Victims Faces Crucial Vote](#),” *The New York Times*, Apr. 2020

¹⁸ Marisa Lagos, “[PG&E, Insurance Companies Strike \\$11 Billion Deal to Settle Wildfire Claims](#),” *KQED*, Sept. 2019

¹⁹ KQED News Staff, “[PG&E Exits Bankruptcy, Pays \\$5 Billion Into Wildfire Fund](#),” *KQED*, July 2020

²⁰ Hedge Clippers, “[Hedge Fund Vultures in Puerto Rico](#),” July 2015

sectors such as coal mining, coal power, tar sands oil, Arctic oil and gas, fracked oil and gas, offshore oil and gas, and liquified natural gas, a phase-out of all financing for fossil fuel projects and companies on a Paris-compliant timeline, emissions reductions that begin immediately, a clear requirement for “[real zero](#)” targets rather than net-zero, and a strengthening of firms’ human rights commitments, particularly the rights of Indigenous peoples.

- **Urge U.S. asset managers to divest from pure-play coal, oil, and gas, and adjust their corporate engagement to appropriately reflect climate risk.** The Special Envoy for Climate should ask U.S. asset managers to immediately remove high-risk, heavy emitting companies and sectors from their actively managed funds, and further recommend that asset managers adopt a stated exclusion policy on all companies associated with high-risk oil, gas, and coal development,²¹ create Indigenous rights and deforestation policies, and change their corporate engagement by using their influence as significant shareholders to vote against fossil fuel expansion plans.
- **Advocate for coordinated, international financial regulation.** The Special Envoy for Climate’s office should make it a priority to urge financial regulators in the U.S. and around the world to act cooperatively on climate regulation, rather than relying on voluntary commitments from firms that are hoping to convince regulators there’s no need for further action. Ensuring that the disclosures of financed emissions have legally enforceable methods for accountability, and that bank supervisors are creating the appropriate climate stress tests, capital requirements, and making use of other supervisory and prudential regulation tools are basic steps that should be enacted without delay.
- **Engage regularly with climate advocates and the frontline communities most impacted by climate change.** Stop the Money Pipeline has thought extensively about the commitments that financial firms must make to stop funding, insuring and investing in climate destruction.²² We would like to meet with you and your team to further our many ideas about the role the Special Envoy for Climate’s office can play in addressing the financial industry’s role in the climate crisis. In addition, the Special Envoy for Climate should be meeting with the groups most directly affected by climate change and fossil fuel production. As one example, Rep. Rashida Tlaib personally invited Federal Reserve Chair Jerome Powell to visit her Congressional district and see up close what it's like to live in a community next to a refinery;²³ your office could help facilitate and participate in this invitation.

Until we can hold Wall Street firms to account, no amount of new green finance commitments can credibly undo the damage that their fossil fuel financing is doing to the climate, to U.S. climate leadership, and to our chances of meeting the goals of the Paris Agreement.

We look forward to speaking with you and your team soon.

Sincerely,

²¹ High-risk oil and gas development includes but is not limited to tar sands production, transportation and refinement, Arctic and Amazon oil development, and shale gas

²² Stop the Money Pipeline, “[About the Movement](#)”

²³ U.S. Rep. Rashida Tlaib, “[Tlaib to Fed Chair Powell: Prop Up Cities and Municipalities, Not Corporate Polluters like Marathon Petroleum](#),” Oct. 2020

Action Center on Race & the Economy
Alliance for Climate Education
Amazon Watch
Anthropocene Alliance
Athens County's Future Action Network

Aytzim: Ecological Judaism
Bank.Green
BankTrack
The Banner
Berks Gas Truth

Bucks Environmental Action
Businesses for a Livable Climate
Call to Action Colorado
Catholic Divestment Network
CatholicNetwork.US

Center for Biological Diversity
Center for International Environmental Law
Christians Concerned About Climate Change
Clean Energy Action Colorado
Climate Finance Action

Climate First!
Climate Hawks Vote
Climate Justice at Boston College
Coalition to Protect New York
Colorado Businesses for a Livable Climate

Conejo Climate Coalition
Congregation of the Mission
Connecticut Citizen Action Group
The Creators 2030 UN SDGs Arts & Youth Initiative
Critica

The Democracy Collaborative
Divest RVA
DivestNY
Dogwood Alliance
Don't Gas the Meadowlands Coalition

Earth Action
Earth Day Initiative
Earth Guardians
Earthworks
Ecological Justice Initiative

Elmirans & Friends Against Fracking
Empower Our Future
End Climate Silence
Extinction Rebellion San Francisco Bay Area
Food & Water Watch

FracTracker Alliance
FrackbustersNY
Franciscan Action Network
The Freedom BLOC
Fremont County Indivisible (CO)

FreshWater Accountability Project
Friends of Buckingham
Friends of the Earth U.S.
Future Coalition
The Future Left

Global Catholic Climate Movement
Global Distribution Advocates
Global Exchange
Green Education & Legal Fund
Green New Deal Virginia

GreenLatinos
Greenpeace US
Harford County Climate Action
Hip Hop Caucus
Indivisible Mohawk Valley

Institute for Agriculture & Trade Policy
Institute for Policy Studies Climate Policy Program
Judson Memorial Church
Lebanon Pipeline Awareness
Long Beach Alliance for Clean Energy

Majority Action
Maryknoll Office for Global Concerns
Micronesia Climate Change Alliance
Milwaukee Riverkeeper
Mountain Lakes Preservation Alliance

Movement Rights
New Energy Economy
New Mexico Interfaith Power & Light
New York CD16 Indivisible
North American Climate, Conservation & Environment

Nuclear Information & Resource Service
Occupy Bergen County (NJ)
Oceanic Preservation Society
Ohio Valley Environmental Coalition
Oil Change International

Our Climate Education Fund
Our Revolution Hawaii
Pennsylvania Interfaith Power & Light
People for a Healthy Environment
Peoples Climate Movement New York

Pivot Point
Progressive Democrats of America
Project Blueprint
Project CoffeeHouse
Public Citizen

Pueblo Action Alliance
Rainforest Action Network
RapidShift Network
Reclaim Finance
The Revolution Coalition: Sustainability
Coalition

Revolving Door Project
Rogue Climate
Save Our Illinois Land
Sisters of Charity of Federation
Sisters of Mercy of the Americas Justice
Team

SoCo QUILTBAG
South Beach District 6 Democratic Club of
San Francisco
Stand.earth
Stop the Algonquin Pipeline Expansion
SumOfUs

Sunflower Alliance
Take on Wall Street
Texas Campaign for the Environment
Thomas Berry Forum for Ecological Dialogue
Unitarian Universalists for a Just Economic
Community

Unitarian Universalist Service Committee
UnKoch My Campus
WESPAC Foundation
Women's Earth & Climate Action Network
Working Families Party

Zero Hour
198 methods
350 Bay Area
350 Brooklyn
350 Butte County

350 Central Mass
350 Colorado
350 Conejo / San Fernando Valley
350 Eugene
350 Everett

350 Fairfax
350 Hawaii
350 Kishwaukee
350 Merced
350 Montgomery County (MD)

350 New Orleans
350 NYC
350 PDX
350 Sacramento
350 Seattle

350 Silicon Valley
350 South Florida
350 Tacoma
350 Triangle
350.org