

**HEARING BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES  
COMMITTEE ON OVERSIGHT AND REFORM**

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Testimony of Suzanne Clark  
President and Chief Executive Officer, U.S. Chamber of Commerce

Chairwoman Maloney, Ranking Member Comer, Chairman Khanna, Ranking Member Norman, and distinguished members of the Committee, thank you for the opportunity to testify before you today. Since March of this year, I have had the privilege to serve as President and Chief Executive Officer of the U.S. Chamber of Commerce (the “Chamber”). On behalf of the Chamber, I thank the Committee for the opportunity to discuss our efforts to address climate change.

There is broad consensus across our membership and the broader business community that combating climate change is an urgent issue that requires citizens, government, and business to work together. The American business community is central to this effort, not only through its role in developing and investing in innovative solutions and deploying low-carbon technologies, but also as a partner in the development of sound policies to guide this transition.

At the Chamber, our message is clear: inaction is not an option. We support market-based solutions to reduce emissions and support U.S. competitiveness, national security, and the working men and women across America. We have focused our work on advancing effective climate solutions, including leading business advocacy efforts for passage of the Energy Act in 2020, the most significant climate and energy legislation adopted in more than a decade. We see much common ground on which all sides of this discussion could come together to advance policies that are practical, flexible, predictable, and durable.

As with many issues, policies to address climate change can be complex and have broad ramifications beyond just achieving emission reductions. Policymakers must take the broader impact of proposals into consideration and recognize that not every proposed policy will be the best path forward. These are hard issues, and, in our constitutional system, they will appropriately be the subject of robust debate. The Chamber is committed to representing its membership in that debate while working cooperatively to address the threat of climate change. We believe our country can rise to the challenge of climate change by leveraging our strengths: private sector leadership and expertise, entrepreneurship, and American innovation.

***The U.S. Chamber of Commerce: Who We Are***

The U.S. Chamber of Commerce represents companies of all sizes across every sector of the economy. Our members range from the small businesses and local chambers of commerce that line the Main Streets of America to leading industry associations and large corporations. They all share one thing: they count on the U.S. Chamber to be their voice in Washington, across the country, and around the world.

For more than 100 years, we have advocated for pro-business policies that help businesses create jobs and grow our economy. Businesses need the right regulatory environment, trade agenda, legal system, workforce policies, and rules for the modern economy in order to drive the growth that will lift our country and help our people. Our job is to help them get it.

Throughout our history, we have worked with policymakers from both parties to address the economic challenges facing our country and the business community. We are proud of this and other historical contributions and we know there is more work to be done for American businesses and consumers.

Every day in our communities, American businesses are creating jobs, serving people, and solving problems. Employers create opportunity, security, and prosperity for so many, and at the Chamber, it is our mission to help them do it. We advocate for our members' interests across a wide range of policy areas, including on climate and energy issues, and we promote initiatives that help create jobs and grow our economy. This year, we are focused on policies that position our economy for the strongest possible recovery from the pandemic, including a robust, broad-based infrastructure package, the expansion of skilling and reskilling opportunities to help those out of work acquire sustainable jobs, and policies that provide the resources needed for small businesses to not only survive, but also thrive.

### *The Chamber's Approach to Climate Change*

The climate is changing, and humans are contributing to these changes. We must all work together—citizens, governments, and businesses—to address climate change and identify solutions that are practical, flexible, predictable, and durable. A challenge of this magnitude requires collaboration, not confrontation, to advance the best ideas and policies.

Addressing the climate challenge with bold solutions and advancing economic prosperity are not mutually exclusive. The Chamber is dedicated to achieving both of these goals and works with its members to evaluate and engage on climate change policy approaches that acknowledge the cost of action and inaction and the competitiveness of the U.S. economy.

The American business community is essential in developing, financing, building, and operating the solutions needed to effectively reduce greenhouse gas emissions, build resilient, lower-carbon infrastructure, and develop new technologies to meet the rising energy demands of a growing global economy. Tens of thousands of businesses are already taking action in their own operations and along their value chains by investing in technology solutions and enhancing their efficiency. Their actions are good for business, the economy, and our planet. The Chamber is especially proud of the leadership shown by our member companies.

The government also plays a critical role in our country's efforts to combat climate change. The Chamber believes that durable climate policy must be made by Congress and enacted with bipartisan support. This will help ensure that policy solutions withstand the changing priorities of different presidential administrations. Relying on executive branch regulations that change with each administration creates uncertainty for business that can stifle investment and make it difficult to plan over the long term.

The Chamber supports policy approaches that encourage innovation and investment in market-based climate solutions. We believe these goals can be accomplished through policies that leverage the power of business, embrace technology and innovation, aggressively pursue energy efficiency, and promote resilient climate infrastructure. We need transparent, well-designed market mechanisms that support meaningful action to reduce emissions while simultaneously supporting economic growth and job creation. In evaluating specific policies, our goal will be to understand the practical feasibility of the proposal, assess potential impacts on individual sectors and the broader economy, ensure that the impact is transparent to industry and consumers alike, and that we can achieve maximum benefits relative to the cost.

Climate change is a global challenge, and international cooperation is crucial. The Chamber supports policies that encourage international engagement, and U.S. leadership in climate science and technology development and deployment.

### ***The Chamber's Recent Work on Climate Change Solutions***

The Chamber believes climate change should be addressed through market-based mechanisms and innovative solutions that protect our planet. Our implementation of these principles has led to unprecedented progress over the past few years.

As noted above, the Chamber played a leading role in the 2020 passage of the Energy Act, which was the most significant climate and energy legislation adopted in over a decade. Over the course of several years, the Chamber mobilized business community support for the bill and worked closely with members of Congress and key committee staff on both sides of the aisle to ensure the package contained innovation-focused measures that addressed climate change, promoted American technological leadership, and fostered continued economic growth. Among other efforts, the Chamber played a leading role in brokering agreement to include bipartisan legislation to implement a phase down of hydrofluorocarbons (“HFCs”), which will have a major direct impact on reducing emissions that contribute to global warming. The Environmental Protection Agency has suggested this policy can help avoid 0.5 degrees Celsius of global warming. That is a meaningful step that Congress enacted on a bipartisan basis. It also demonstrates that progress is possible when business, environmental groups, labor, and policymakers work together to find solutions on these difficult issues.

The Chamber has called for direct regulations on methane emissions from oil and gas operations, worked with Congress to help improve pre-disaster mitigation and resilience policies, and supported legislation that would mobilize private capital to promote carbon capture, utilization, and sequestration technologies.

The Chamber has also engaged in congressional discussions around using a Clean Electricity Standard (“CES”) approach for reducing domestic greenhouse gas emissions. For example, in July we sent Congressional leaders a set of principles to help guide the potential development of a CES program and ensure that any such program include market-based mechanisms.

The Chamber has also engaged in discussions regarding a Carbon Border Adjustment Mechanism (“CBAM”). We recognize that if one nation or group of nations enacts policies to reduce emissions, progress can be undermined if production simply moves to another nation

because of the higher costs of operating in a carbon constrained environment. Beyond timing, there are a number of practical implementation issues that must be addressed. For instance, we strongly believe that any CBAM must be paired with a market-based mechanism to reduce emissions or it risks being impossible to implement. Other topics covered in the Chamber's principles include unintended consequences associated with the affordability of products needed for clean energy, trade considerations such as the potential for retaliation against U.S. companies, and compatibility with the EU's mechanism.

The Chamber strongly supports the Biden Administration's decision to rejoin the Paris Climate Agreement and looks forward to engaging with the administration as it considers a revised nationally determined contribution for the United States. We have always believed the U.S. must take a strong leadership role in the Paris talks to facilitate meaningful global progress and to maintain and enhance the competitiveness of U.S. business in a global market. We did, however, raise questions with how the Obama Administration developed its nationally determined contribution related to Paris, and pointed out potential economic implications of the path it chose. This year, we engaged early with the Biden Administration as it revised the U.S. nationally determined contribution and provided principles for its consideration. In short, we did not support the previous administration's decision to leave Paris, and we applauded the current administration's decision to return.

This year we organized a coalition of more than 300 business, environmental, and labor organizations in support of environmentally and economically responsible bipartisan infrastructure legislation that would advance efforts to decarbonize the economy. Following the successful passage of the Energy Act, it is critically important that the programs authorized in it be funded. Large demonstration projects are needed to de-risk and prove the technical viability of priority carbon-reducing technologies, particularly in areas like carbon capture, carbon removal, advanced nuclear, hydrogen, renewables, battery technology, energy efficiency, and industrial emissions. Building smart, modern, resilient infrastructure has long been a priority of the Chamber, and the Bipartisan Infrastructure Framework is exactly the type of bold, economy-growing action needed to address climate change.

Congressional leaders and the White House deserve credit for their attention to climate as part of this package, and the Chamber and many of its members are proud to support it as standalone legislation.

### ***The Path Forward***

Inaction is not an option. The Chamber will continue to work constructively with Congress and on behalf of our diverse membership to advance effective climate change solutions.

Earlier this year, President Biden's climate envoy, former Secretary of State John Kerry, stated that "50% of the reductions we have to make to get to net zero are going to come from technologies that we don't yet have. That's just a reality. And people who are realistic about this understand that's part of the challenge. So we have to get there sooner rather than later."<sup>1</sup>

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<sup>1</sup> <https://www.theguardian.com/environment/2021/may/16/half-of-emissions-cuts-will-come-from-future-tech-says-john-kerry>

Whether 50% is the right figure or not, Secretary Kerry's central point is right: we must take urgent action now to develop the technologies needed to meet our climate goals.

Finally, as official observers to the United Nations Conference of the Parties climate negotiations (COP-26), we are preparing to lead a delegation to Glasgow this November to participate in these critical discussions. We believe the Chamber's engagement in Glasgow is important for two main reasons. First, it is business that will be tasked with implementing the policies and technologies needed to tackle climate challenges. Additionally, there are lessons to be learned from how other countries have approached the climate issue, which is one reason we so strongly support the Biden Administration's decision to rejoin the Paris Agreement and restore international engagement on climate.

### ***Conclusion***

The climate is changing, and more needs to be done to help protect our planet for future generations. The business community is central to this effort, not only through its leadership in developing and investing in innovative solutions and deploying low-carbon technologies, but also as a partner in the development of sound policies to guide this transition. Through innovation and entrepreneurship, our members are demonstrating that significant progress is not only possible, but also it is already underway.

The Chamber remains dedicated to working with Congress to identify solutions that improve our environment and grow our economy. Thank you and I look forward to your questions.