

ONE HUNDRED EIGHTEENTH CONGRESS

# Congress of the United States

## House of Representatives

COMMITTEE ON THE JUDICIARY

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July 6, 2023

The Honorable Michael R. Bloomberg  
Co-Chair  
Glasgow Financial Alliance for Net Zero  
731 Lexington Avenue  
New York, NY 10022

The Honorable Mary L. Schapiro  
Vice Chair  
Glasgow Financial Alliance for Net Zero  
731 Lexington Avenue  
New York, NY 10022

Dear Mr. Bloomberg and Ms. Schapiro:

The Committee on the Judiciary is conducting oversight of the adequacy and enforcement of U.S. antitrust laws.<sup>1</sup> We write because the Glasgow Financial Alliance for Net Zero (GFANZ) and the Net Zero Asset Managers initiative (NZAM) are potentially violating U.S. antitrust law by coordinating their members' agreements to "decarbonize" their assets under management and reduce emissions to net zero—with potentially harmful effects on Americans' freedom and economic well-being. Accordingly, to advance our oversight and inform potential legislative reforms, we write to ask GFANZ and NZAM to produce relevant documents and information.

Founded in 2021, GFANZ "is the world's largest coalition of financial institutions committed to transitioning the global economy to net-zero greenhouse gas emissions."<sup>2</sup> The coalition boasts that it works "to expand the number of net zero-committed financial institutions and to establish a forum for addressing sector-wide challenges associated with the net-zero transition, helping to ensure high levels of ambition are met with credible action."<sup>3</sup> Its members include more than 550 financial sector firms that have "committed to the goal of net zero by 2050," and GFANZ acknowledges that it "[c]oordinate[s] commitments and actions across the sector."<sup>4</sup>

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<sup>1</sup> See generally Rules of the House of Representatives R. X (2023).

<sup>2</sup> GFANZ, ABOUT US, <https://www.gfanzero.com/about/>.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

NZAM is one of the seven sector-specific alliances that comprise GFANZ.<sup>5</sup> NZAM was launched in 2020 “to support[] the goal of net zero greenhouse gas emissions by 2050 or sooner . . . and to support[] investing aligned with net zero emissions by 2050 or sooner.”<sup>6</sup> Its members include more than 300 asset managers with more than \$59 trillion in assets under management.<sup>7</sup>

GFANZ and NZAM coordinate agreements among their members to “decarbonize” their assets under management and reduce emissions to net zero by 2050.<sup>8</sup> Reaching net zero would require draconian “declines in the use of coal, oil and gas”: as much as 98% for coal,<sup>9</sup> 94% for oil, and 86% for fossil fuels overall.<sup>10</sup> This, in turn, would require radical “steps such as halting sales of new internal combustion engine passenger cars by 2035, and phasing out all unabated coal and oil power plants by 2040.”<sup>11</sup> It also would mean “that no new oil and gas fields must be developed,” choking off investment in these industries.<sup>12</sup> Such restrictions limit output and increase prices, and deprive businesses of investments and consumers of choices. The potential consequences for American freedom and economic well-being are far-reaching.

Collusive agreements harm competition and consumers and are illegal under the Sherman Act.<sup>13</sup> Horizontal output restrictions are per se illegal,<sup>14</sup> but “the types of conduct banned” are not limited to “regulat[ing] prices . . . or limit[ing] production.”<sup>15</sup> Rather, any “[c]oercive activity that prevents its victims from making free choices between market alternatives is inherently destructive of competitive conditions and may be condemned.”<sup>16</sup> This holds true whether or not there is “an effect on prices”<sup>17</sup> because “all elements of a bargain—quality, service, safety, and durability—and not just the immediate cost, are favorably affected by the free opportunity to

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<sup>5</sup> *See id.*

<sup>6</sup> NZAM, HOME, <https://www.netzeroassetmanagers.org/>.

<sup>7</sup> NZAM, SIGNATORIES, <https://www.netzeroassetmanagers.org/signatories/>.

<sup>8</sup> *See* NZAM, COMMITMENT, <https://www.netzeroassetmanagers.org/commitment/> (“[M]y organisation commits to . . . [w]ork in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all assets under management[.]”).

<sup>9</sup> *See* INTERNATIONAL ENERGY AGENCY, NET ZERO BY 2050: A ROADMAP FOR THE GLOBAL ENERGY SECTOR (May 2021), <https://www.iea.org/reports/net-zero-by-2050>.

<sup>10</sup> *See* STATE OF CALIFORNIA, CALIFORNIA RELEASES WORLD’S FIRST PLAN TO ACHIEVE NET ZERO CARBON POLLUTION (Nov. 16, 2022), <https://www.gov.ca.gov/2022/11/16/california-releases-worlds-first-plan-to-achieve-net-zero-carbon-pollution/>; *see also* INTERNATIONAL ENERGY AGENCY, *supra* note 9 (Fossil fuels must “fall from almost four-fifths of total energy supply today to slightly over one-fifth by 2050.”).

<sup>11</sup> INTERNATIONAL ENERGY AGENCY, *supra* note 9.

<sup>12</sup> NET-ZERO ASSET OWNER ALLIANCE, NET-ZERO ASSET OWNER ALLIANCE SETS EXPECTATIONS FOR OIL AND GAS INVESTMENTS AND CALLS ON COMPANIES AND POLICYMAKERS TO ALIGN WITH 1.5C PATHWAYS (Mar. 29, 2023), <https://www.unepfi.org/industries/net-zero-asset-owner-alliance-outlines-new-guidance-for-oil-and-gas-investments-while-calling-on-companies-policymakers-and-investors-to-align-with-1-5c-pathways/>.

<sup>13</sup> *See* 15 U.S.C. § 1.

<sup>14</sup> *See* NCAA v. Bd. of Regents, 468 U.S. 85, 104 (1984).

<sup>15</sup> *Fashion Originators’ Guild of Am. v. FTC*, 312 U.S. 457 (1941).

<sup>16</sup> *Associated Gen. Contractors of California, Inc. v. California State Council of Carpenters*, 459 U.S. 519, 528 (1983).

<sup>17</sup> *Klor’s, Inc. v. Broadway-Hale Stores, Inc.*, 359 U.S. 207, 213 n.7 (1959).

select among alternative offers.”<sup>18</sup> Moreover, as the Supreme Court has explained, “[t]he social justifications proffered for [the] restraint of trade” cannot redeem anticompetitive collusion.<sup>19</sup>

Accordingly, to help the Committee better understand GFANZ’s and NZAM’s roles in coordinating agreements among their members to “decarbonize” assets under management and reduce emissions to net zero, please produce, for the period from January 1, 2020, to the present:

1. All documents and communications referring or relating to the creation, mission, goals, or founding of GFANZ and NZAM, including the need for GFANZ or NZAM to facilitate advancing decarbonization and net zero emissions goals;
2. All documents and communications referring or relating to how GFANZ and NZAM developed their decarbonization and net zero emissions targets and commitments, including what actions should be taken to achieve these targets and commitments, or those developed by other alliances and initiatives such as Climate Action 100+;
3. All documents and communications referring or relating to any agreement or commitment, or any effort to reach such an agreement or commitment, between GFANZ or NZAM and any of their members, or among any of their members, to advance decarbonization and net zero emissions goals, including but not limited to documents and communications referring or relating to any member’s or prospective member’s knowledge or awareness of another’s agreement or commitment, and documents and communications reflecting or suggesting agreement or commitment as to specific steps, policies, or best practices;
4. All documents and communications referring or relating to how asset managers, including but not limited to BlackRock, State Street Global Advisors, Arjuna Capital, and Trillium Asset Management, can or should advance decarbonization and net zero emissions goals, including but not limited to through setting investment policies, making investment decisions, and sponsoring, supporting, opposing, or voting for directors and stockholder proposals;
5. All documents and communications referring or relating to how proxy advisors, including but not limited to Institutional Shareholder Services and Glass Lewis, and stockholder engagement service providers, including but not limited to As You Sow, Seventh Generation Interfaith, and the Shareholder Associate for Research & Education, can or should advance decarbonization and net zero emissions goals, including but not limited to through sponsoring, supporting, opposing, or voting for directors and stockholder proposals;

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<sup>18</sup> *Nat’l Soc. of Pro. Engineers v. United States*, 435 U.S. 679, 695 (1978).

<sup>19</sup> *FTC v. Superior Ct. Trial Laws. Ass’n*, 493 U.S. 411, 424 (1990).

6. All documents and communications referring or relating to how GFANZ or NZAM monitor and enforce their members' decarbonization and net zero emissions agreements and commitments; and
7. All documents and communications referring or relating to how GFANZ's, NZAM's, or their members' decarbonization and net zero emissions goals, agreements, and commitments affect output, price, or the choices available to consumers and investors, including but not limited to the markets for fossil fuels such as coal, gas, and oil.

Please produce the requested information as soon as possible, but no later than 5:00 p.m. EDT on July 20, 2023.

Furthermore, this letter serves as a formal request to preserve all existing and future records and materials relating to the topics addressed in this letter. You should construe this preservation notice as an instruction to take all reasonable steps to prevent the destruction or alteration, whether intentionally or negligently, of all documents, communications, and other information, including electronic information and metadata, that are or may be responsive to this congressional inquiry. This instruction includes all electronic messages sent using your official and personal accounts or devices, including records created using text messages, phone-based message applications, or encryption software.

If you have any questions about this request, please contact Committee staff at (202) 225-6906. Thank you in advance for your prompt attention to this matter.

Sincerely,



Jim Jordan  
Chairman



Thomas Massie  
Chairman  
Subcommittee on the Administrative  
State, Regulatory Reform, and  
Antitrust



Dan Bishop  
Member of Congress

cc: The Honorable Jerrold L. Nadler, Ranking Member

The Honorable Lou Correa, Ranking Member  
Subcommittee on the Administrative State, Regulatory Reform, and Antitrust