



(Original Signature of Member)

116TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To require the Board of Governors of the Federal Reserve System and the Securities and Exchange Commission to issue an annual report to the Congress projecting and accounting for the economic costs directly and indirectly caused by the impacts of climate change, and to require the Federal Retirement Thrift Investment Board to establish a Federal Advisory Panel on the Economics of Climate Change, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. CLEAVER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To require the Board of Governors of the Federal Reserve System and the Securities and Exchange Commission to issue an annual report to the Congress projecting and accounting for the economic costs directly and indirectly caused by the impacts of climate change, and to require the Federal Retirement Thrift Investment Board to establish a Federal Advisory Panel on the Economics of Climate Change, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Restructuring Environ-  
3 mentally Sound Pensions in Order to Negate Disaster Act  
4 of 2020” or the “RESPOND Act of 2020”.

5 **SEC. 2. CLIMATE CHANGE ECONOMIC COST REPORT.**

6 The Board of Governors of the Federal Reserve Sys-  
7 tem and the Securities and Exchange Commission shall,  
8 jointly, issue an annual report to the Congress projecting  
9 and accounting for the economic costs directly and indi-  
10 rectly caused by the impacts of climate change, including  
11 the labor market, economic growth, property and land  
12 damage from rising sea levels and extreme weather, nat-  
13 ural disaster relief and mitigation, public health, and other  
14 broad areas of the economy.

15 **SEC. 3. FEDERAL ADVISORY PANEL ON THE ECONOMICS OF**  
16 **CLIMATE CHANGE.**

17 Section 8438 of title 5, United States Code, is  
18 amended by adding at the end the following:

19 “(i) FEDERAL ADVISORY PANEL ON THE ECONOMICS  
20 OF CLIMATE CHANGE.—

21 “(1) ESTABLISHMENT.—The Board shall estab-  
22 lish a panel to be known as the ‘Federal Advisory  
23 Panel on the Economics of Climate Change’ (the  
24 ‘Advisory Panel’).

25 “(2) MEMBERSHIP.—

1           “(A) IN GENERAL.—The Advisory Panel  
2 shall consist of 9 members, appointed by the  
3 Board as follows:

4           “(i) 3 members shall be chosen from  
5 among persons generally recognized for  
6 their impartiality, knowledge, and experi-  
7 ence in the field of labor relations and pay  
8 policy.

9           “(ii) 6 members shall be chosen from  
10 among persons with expertise in local, na-  
11 tional, or transnational financing that  
12 seeks to support mitigation and adaptation  
13 actions to combat climate change.

14           “(B) LIMITATION.—Not more than 3  
15 members of the Advisory Panel may represent  
16 a single employee organization, council, federa-  
17 tion, alliance, association, or affiliation of em-  
18 ployee organizations.

19           “(C) CHAIR.—The Board shall appoint one  
20 member of the Advisory Panel appointed pursu-  
21 ant to subparagraph (A)(i) to serve as the  
22 Chair of the Advisory Panel.

23           “(D) COMPENSATION.—

24           “(i) IN GENERAL.—Members of the  
25 Advisory Council may not receive pay by

1           reason of their service on the Advisory  
2           Council, nor shall members who are not  
3           otherwise employees of the United States  
4           be considered employees by reason of any  
5           such service.

6                   “(ii)    EXPENSES.—Notwithstanding  
7           clause (i) members of the Advisory Panel  
8           appointed pursuant to subparagraph (A)(i)  
9           may be paid expenses in accordance with  
10          section 5703.

11          “(3) DUTIES.—The Advisory Panel shall—

12                   “(A) advise the Board on how, consistent  
13          with their fiduciary duties, the Board can fur-  
14          ther decarbonize their portfolio;

15                   “(B) identify possible investment opportu-  
16          nities in clean and renewable energy and other  
17          emerging industries that would maximize re-  
18          turns;

19                   “(C) produce a comparative analysis com-  
20          paring the fiduciary efficacy and responsibility  
21          of existing investment practices of the Board  
22          with decarbonized portfolio alternatives; and

23                   “(D) advise the Board on how to identify,  
24          assess, and manage the investment risks and

1 opportunities of climate change and prepare for  
2 a transition to a low carbon economy.

3 “(4) EXAMINATION.—In carrying out the duties  
4 described under paragraph (3), the Advisory Panel  
5 shall examine the following, and issue a report to the  
6 Board on the results of such examination:

7 “(A) Economic and policy challenges fac-  
8 ing the fossil fuel industry over the short, me-  
9 dium, and long term.

10 “(B) Quantitative and qualitative analysis  
11 and modeling of the economic impact of climate  
12 change on Federal employee retirement pro-  
13 grams (e.g., diversification of investments, risk  
14 tolerance, future economic and workforce  
15 trends, new opportunities, expected losses, and  
16 returns).

17 “(C) The current state of, and outlook for,  
18 clean energy, including possible investment op-  
19 portunities.

20 “(D) Experience (including performance  
21 analysis) of other pension funds and investors  
22 which have undertaken concerted de-carbon-  
23 ization efforts or strategic divestment from fos-  
24 sil fuel holdings in order to maximize the effi-

1           eacy and stability of their assets while mini-  
2           mizing their climate-related risk exposure.

3           “(E) Strategic options to address climate-  
4           related investment risks through further de-car-  
5           bonization, including—

6                   “(i) transitioning to a low-carbon or  
7                   carbon-free benchmark index for all public  
8                   equities;

9                   “(ii) divesting from significant fossil  
10                  fuel holdings that are not responsible fidu-  
11                  ciary investments for beneficiaries; and

12                  “(iii) exploring the use of organiza-  
13                  tions to de-risk investments in carbon de-  
14                  pendent funds.

15           “(5) CONSULTATION WITH FEMA.—The Advi-  
16           sory Panel shall, in preparing the report described  
17           under paragraph (4), consult with the Federal  
18           Emergency Management Agency on any matters  
19           within the Agency’s jurisdiction.

20           “(6) RESULTS OF EXAMINATION.—If the  
21           Board, after examining the report issued by the Ad-  
22           visory Panel under paragraph (4), determines that  
23           pension yields would be both financially profitable  
24           and still consistent with the Board’s fiduciary duties  
25           if low-carbon investment strategies were imple-

1       mented, the Board shall set a plan in place to tran-  
2       sition the Board's investment practices accord-  
3       ingly.”.

