

**Testimony of Susan Mason
Managing Partner of Aligned Partners and Founding Member of the Business
Coalition for Conservation and Climate**

**Hearing on “The Importance of Public Disclosure Requirements for Protecting
Human Health, the Climate, and the Environment.”
Before the Subcommittee on Energy and Mineral Resources
Natural Resources Committee
U.S. House of Representatives
January 28th, 2020**

Chairman Lowenthal, Ranking Member Gosar, and members of the Subcommittee, thank you for inviting me to testify today regarding “The Importance of Public Disclosure Requirements for Protecting Human Health, the Climate, and the Environment.” I sincerely appreciate the opportunity to be here.

My name is Susan Mason, I am a founder and Managing Partner of Aligned Partners, a venture capital firm based in Menlo Park, California. I am also a founding member of the Business Coalition for Conservation and Climate, an organization of leading business executives, investors, and venture capitalists who feel strongly that the transparency and accountability within the oil and gas sector is critical to addressing climate change in the United States.

For three decades, I have worked in the venture capital space and founded my own fund in 2011. Throughout this time, I have seen a remarkable transformation occur. After avoiding it for years, investors of all political stripes have come to realize that climate change is not only occurring, but poses a real and clear threat to our economy.

The transition is born out of absolutely necessity. Studies have estimated the value of capital assets at risk of climate regulation or physical impacts could range from \$4.2 trillion to \$4.3 trillion by 2100. This realization has created a demonstrable shift in the investment strategy of leading banks, and the management practices of some of the world's most notable polluters.

We saw a tangible example of this tectonic shift earlier this month when Larry Fink, Chief Executive Officer of BlackRock, the world's largest asset manager with over \$7 trillion under management, informed the firm's clients that it would be altering its energy investment strategy to account for the risk posed by climate change. Not only would it be divesting from thermal coal altogether, the company would be applying newer, more rigorous screening for investments within the energy sector.

In applying these new measures, Fink said that investors, along with regulators, insurers, and the public, need a clearer picture of how companies are managing sustainability-related questions. I could not agree more because a company's long-term prospects for success are completely dependent on its ability to sustain itself.

BlackRock's example is one of countless I am seeing in the investment space. Leading oil and gas companies like BP and Exxon have all been required to modify their climate impacts, because shareholders demanded action. In the most stark action to date, beginning this year, compensation for executives and Royal Dutch Shell will partially be tied to the company reaching short-term carbon emissions targets.

I am often asked why these changes are occurring and the reason is that as access to information has improved, the investors in these companies have demanded that the companies in which they are invested are operating in their long-term best interests.

While this shift is critically important for the long-term sustainability of our planet and the economy, it has not had a similar impact on the way our federal lands are managed which remain unchanged. The reason I surmise, in part, is because the American people don't have the same level of access to information about the types of energy being developed on public lands, and what the climate impact is of that development.

As owners and caretakers of our nation's resources, we should all strive for greater transparency and accountability from our federal government, particularly when it comes to our most cherished natural resource, our public parks and monuments. Fortunately, legislation was recently introduced by several members of this panel that would take important steps toward bringing greater transparency related to energy developed on public lands.

The aptly named Transparency in Energy Production Act, or TEPA, would impose common-sense measurement standards on oil and gas companies holding or seeking a lease to acquire energy on public lands. I use the term common-sense, because the bill uses a brilliantly eloquent solution, adopting the industry developed standards created by the Sustainable Accounting Standards Board, or SASB. SASB was created in 2011 by some of the nation's largest banks and institutional investors to create a streamlined, and administratively easy, set of measures companies could use to report to their investors on sustainability risk and opportunity.

Today, over 120 publicly traded companies use SASB standards to report to their investors, and the public. This list includes oil and gas companies like Apache, Baytex, GS Caltex, Halliburton, Hess, Kinder Morgan, NRG, Southern Company, Southwestern Energy and TC Energy.

TEPA does not mandate a change in the types of energy developed, but rather gives the American people the data they need to make informed decisions and compel to manage these areas in the national interest. Just as publicly traded companies are required to share critical information with their shareholders, as owners of these lands, the American people are entitled to that information, and as the private sector is already demonstrating, money can be made without degrading our health and environment. I want to thank this Committee for holding today's hearing on the vital role transparency should play in the management of public lands and urge support for H.R. 5636.