

**Congress of the United States**  
**Washington, DC 20515**

April 23, 2020

The Honorable Jerome Powell  
Chairman  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

Dear Chairman Powell,

On April 15, 2020, we were joined by 39 members of Congress in writing to express our opposition to the proposed use of coronavirus response funds to bail out the fossil fuel industry. After learning that the fossil fuel industry is lobbying for special treatment under the Federal Reserve's Main Street Lending Program, we are following up to urge you to reject these calls to change this program, which is intended for use by small- and medium-sized businesses that were in good financial standing before the crisis hit. Specifically, fossil fuel producers are seeking changes to the terms of the program that would allow them to use loan proceeds to pay off or settle pre-coronavirus-pandemic loans and debts. It would be a short-sighted misuse of taxpayer resources to accede to these requests, which would effectively help bail out an industry struggling under the weight of its own debt and long-term systemic decline.

Fossil fuel investments are now riddled with fundamental structural risks. As countries around the world respond to the climate crisis, deployment costs for renewable energy alternatives are falling. This is causing unease among investors about the future value of fossil fuel assets, leading to concerns about the long-term performance of fossil fuel industry stocks—fears that have been borne out over the past decade as the energy sector has remained the worst-performing sector on the S&P 500. Many notable financial institutions have already moved to restrict their exposure to carbon-intensive investments, including BlackRock, Wells Fargo, the European Investment Bank, and the World Bank Group. And these concerns have arisen despite one giveaway after another from the federal government to the fossil fuel industry, with the Trump administration rolling back key regulations such as fuel economy standards and keeping billions of dollars in annual tax subsidies on the books.

Additionally, using federal money to prop up the fossil fuel industry would only increase the financial toll of climate change and the environmental degradation it has wrought. Cities, states, and the federal government are already bearing the costs of rising seas, flooding, heat waves, and other environmental and public health disasters. The costs of inaction on climate change are

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already high, but continued investment in its root cause of fossil fuels will only drive those costs higher.

During the federal response to this unprecedented crisis, we urge you to deploy the Federal Reserve's resources in a way that protects taxpayer interests and avoids the bailout of an industry that has been struggling under its own short-sighted financial decisions for years. We must protect workers and communities affected by the oversupply of fossil fuels and the resulting downturn in oil and gas prices, but we can do that without carving out special rules for loans to fossil fuel corporations. We strongly urge you to resist the fossil fuel industry's calls for privileged treatment and maintain the existing terms of the Main Street Lending Program.

Sincerely,

 

Edward J. Markey  
United States Senator

Nanette Diaz Barragán  
Member of Congress