

Congress of the United States
Washington, DC 20515

November 4, 2021

The Honorable Janet Yellen
Secretary of the Treasury
U.S. Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Antony Blinken
Secretary of State
U.S. Department of State
2201 C Street, NW
Washington, DC 20520

Dear Secretary Yellen and Secretary Blinken,

We write to urge you to use available sanctions authority to enhance the U.S. response to the climate crisis. The Treasury 2021 Sanctions Review, released earlier this month, made clear that financial sanctions should accomplish objectives that are “consistent with relevant Presidential guidance.”¹ Given that the Biden administration has made combating climate change a top priority, a whole-of-government U.S. approach to the climate crisis should include targeted sanctions on the foreign individuals and companies that are perpetrating the worst climate damage, with a particular focus upon companies that violate human rights while harming the climate. We ask that you use existing authority to apply Global Magnitsky sanctions to those linked to these climate and human rights abuses, and also advise the president on additional actions he could take to protect the climate under the International Emergency Economic Powers Act (IEEPA). Combined with additional climate diplomacy with key countries like China, financial sanctions would ensure that addressing the climate crisis remains at the center of U.S. foreign and national security strategy.

President Biden has consistently highlighted combating the climate crisis as a top domestic and foreign policy priority for his Administration.² In 2020 alone, the United States experienced 22 weather disasters that each caused more than \$1 billion in associated damage, for a record-breaking total annual cost of more than \$99 billion.³ Climate change has already had a profound

¹ *The Treasury 2021 Sanctions Review*, U.S. Department of the Treasury (Oct. 2021)
<https://home.treasury.gov/system/files/136/Treasury-2021-sanctions-review.pdf>

² Tackling the Climate Crisis at Home and Abroad, Executive Order No. 14008, 86 Fed. Reg. 7619 (Jan. 27, 2021).

³ Kat So & Sally Hardin, *Extreme Weather Cost U.S. Taxpayers \$99 Billion Last Year, and It Is Getting Worse*, Center for American Progress (Sept. 1, 2021),

effect on our national security, economy, and financial system, as well as on the stability of our democratic allies worldwide, and the effects will only become more severe as the climate crisis continues. In order to temper the worsening effects of climate change at home and around the world, we need to rapidly transform our global economy on an unprecedented scale. To do so, we must deploy all the foreign policy and domestic tools available to us.

The United States has deployed sanctions in response to other emergencies that affect our foreign policy and national security, including egregious acts of human rights abuses, cybercrime, and corruption. The federal government has yet to use targeted sanctions as a method of deterring reckless, climate-destroying behavior. In combination with diplomacy, international climate aid, global agreements, and voluntary pledges that can encourage positive climate action, targeted measures could deter government officials, corporations, and private individuals from causing additional harm.

As stated in the Treasury 2021 Sanctions Review, sanctions should “support a clear policy objective within a broader U.S. government strategy” and be “deployed alongside other measures as part of a larger strategy in support of specific policy objectives,” such as diplomatic engagement.⁴ Sanctions should be a tool of last resort, but we should not hesitate to use them in tandem with diplomatic engagement to achieve President Biden’s key climate goals. Specifically, we urge you to take the following actions:

1. Apply Global Magnitsky sanctions to government officials, individuals, and corporations linked to climate-related corruption and human rights abuses. Global Magnitsky sanctions have proven to be an effective tool for creating leverage to change behavior that creates broader societal harm and;
2. Advise the president on the steps he can take to target climate offenders under the International Emergency Economic Powers Act (IEEPA). The Secretary of the Treasury and the Secretary of State should consider viable methods for utilizing the IEEPA, including by declaring a national emergency or by otherwise invoking its authorities when permitted and when doing so would be effective.

Targeted measures can be particularly valuable in penalizing those who violate human rights while harming the climate. For example, illegal deforestation in the Amazon has not only contributed to the climate crisis, but has led to widespread human rights violations against indigenous peoples working to protect the rainforest.⁵ Perpetrators of such abuses are rarely

<https://www.americanprogress.org/issues/green/reports/2021/09/01/503251/extreme-weather-cost-u-s-taxpayers-99-billion-last-year-getting-worse/>.

⁴ *The Treasury 2021 Sanctions Review*, U.S. Department of the Treasury (Oct. 2021), <https://home.treasury.gov/system/files/136/Treasury-2021-sanctions-review.pdf>.

⁵ César M. Acebes, *Rainforest Mafias*, Human Rights Watch (Sept. 17, 2021), <https://www.hrw.org/report/2019/09/17/rainforest-mafias/how-violence-and-impunity-fuel-deforestation-brazils-amazon>.

brought to justice. Sanctions could target the networks of individuals, companies, and criminal organizations engaged in these activities.

In addition, we urge the Administration to continue to engage in discussions with key international partners, particularly the government of the People's Republic of China (PRC). While it is promising that the PRC announced it will stop building coal-fired projects in other countries, the PRC is the largest emitter of global carbon emissions, and the United States must work to ensure that its development finance institutions do not undermine global decarbonization efforts.⁶ The United States must also encourage the PRC to develop and adopt safeguards to promote low-carbon, climate-resilient investments over high-carbon projects. China's recent commitment to eliminate its coal financing projects abroad, after pressure from the Biden Administration, is a step in the right direction.

President Biden has repeatedly called for putting the climate crisis at the center of U.S. foreign policy and national security, and for taking a government-wide and holistic approach to this existential crisis. As the effects of climate change continue to grow, we must match our actions to the magnitude and urgency of the crisis. We urge the Department of the Treasury and Department of State to use the Global Magnitsky Act, the International Emergency Economic Powers Act, and ongoing diplomatic engagement to mitigate the worst effects of the climate crisis. We look forward to working closely with you on this important matter.

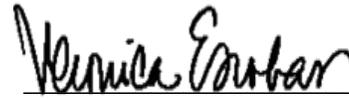
Sincerely,



Edward J. Markey
United States Senator



Bernard Sanders
United States Senator



Veronica Escobar
Member of Congress



Elizabeth Warren
United States Senator

⁶ Christian Shepherd, *China's overseas coal ban raises pressure on developing countries to go green*, Wash. Post (Oct. 22, 2021), https://www.washingtonpost.com/world/asia_pacific/china-coal-power-climate/2021/10/22/326efed8-30be-11ec-8036-7db255bff176_story.html.