

Pushing Back on the GOP's Attempts to Punish Banks for Ditching Fossil Fuels

Context

In early May, three dozen Republican lawmakers wrote President Trump to complain about how major US Banks were “discriminating” against fossil fuels by refusing to finance Arctic drilling, tar sands, coal, and other dangerous fossil fuel projects. The letter cc'd five major US Banks, BlackRock, and a bunch of fossil fuel industry trade associations, like the American Petroleum Institute.

Trump administration officials have also weighed in, with Energy Secretary Dan Brouillette going so far as to claim that banks' policies ruling out funding for some fossil fuels is the same as racist redlining.

This is a temper tantrum.

The GOP is mad at banks for making smart investment decisions.

These are financial decisions that the banks are making to rule out the most egregious fossil fuel projects because they know they're inherently financially risky on climate, human rights, legal, and reputational grounds, in addition to the basic market fundamentals of energy.

The Republicans aren't asking for anything specific because there is nothing that they or Trump can do. Wall Street is beginning to turn its back on fossil fuels and there is nothing the GOP can do about it.

The GOP are kicking and screaming about inevitable changes in the economy. By this logic, banks are also “discriminating” against the rotary phone and horse-drawn carriage industries.

Fossil fuels are massively subsidized already -- they're the opposite of “discriminated against,” and comparing these policy changes to redlining and racist lending practices is outrageous.

This is high hypocrisy from a bunch of supposed “free market” Republicans.

The GOP is mad because banks are no longer investing in their political donors.

Wall Street is turning its back on fossil fuels for a reason: the bottom line.

The GOP are finally catching up to the fact that the economy is changing around them and banks are updating their policies.

Last time I checked, banks were free to make smart business decisions.

Wall Street isn't known for its social conscience: if they're not funding this stuff, it must be truly toxic.

What's the GOP argument here? The government should be able to tell banks to fund money-losing industries no matter what?

The writing is on the wall: oil and gas companies have taken on massive debts, the sector is in turmoil, and it looks as if demand is in a permanent decline, not just because of the coronavirus pandemic, but because of the great advances in efficiency and renewables.

In reality, the banks should be going even further. Coal, tar sands, and Arctic drilling are among the most egregious examples of risky fossil fuel plays, but no investment in the industry should be considered safe.

These decisions are based on risk: the social, legal, environmental, and climate risks are real business risks that these banks are now taking into consideration.

The banks shouldn't listen to Republicans: the public supports these changes.

Over [70% of Americans oppose drilling in the Arctic Refuge](#).

Poll after poll shows that Americans support new investments in renewable energy and want to see transition to clean energy. 9 out of 10 Americans support the growth of solar, for [example](#).

ESG -- environmental, social and governance -- is becoming a top priority for many investors and customers. Banks are wise to be moving in this direction.

Green investing is a "mega trend" that is here to stay, according to CNBC.