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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

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October 27, 2016

The Honorable Sally Jewell
Secretary
U.S. Department of the Interior
1849 C Street NW
Washington, DC 20240

Dear Secretary Jewell:

The U.S. Senate has been conducting oversight of the Obama Administration's development of analytical tools to estimate the costs and benefits of regulations to limit greenhouse gas (GHG) emissions. As part of this oversight, we have sought information regarding the federal Interagency Working Group (IWG) on the Social Cost of GHGs that developed estimates of the social costs of certain GHGs for federal agencies to use in cost-benefit analysis. However, the Obama Administration has failed to provide basic information to the public and Congress about the workings of the IWG. Most recently, there have been conflicting reports of the U.S. Department of Interior's (DOI) membership in the IWG that have renewed our concerns over the lack of transparency surrounding this particular IWG. As such, we write to seek clarity regarding DOI's role in the IWG.

On August 26, 2016, the IWG on GHGs—formerly known as the IWG on Social Cost of Carbon (SCC)—updated existing SCC estimates and separately issued novel government-wide estimates of the social cost of methane and nitrous oxide.¹ These IWG documents marked the first time the DOI was publicly listed as an IWG participant. However, a DOI spokeswoman recently admitted that the DOI has been a member of the IWG since its inception in 2009.²

Such admission conflicts with previously issued IWG documents and a U.S. Government Accountability Office (GAO) report that identified federal agencies and offices believed to have participated in the IWG. The first-ever IWG technical support document (TSD) on the SCC issued in February 2010 listed twelve federal agencies and offices in the IWG; the DOI was not

¹ Interagency Working Group on Social Cost of Greenhouse Gases, *Addendum to Technical Support Document on Social Cost of Carbon for Regulatory Impact Analysis under Exec. Order 12866: Application of the Methodology to Estimate the Social Cost of Methane and the Social Cost of Nitrous Oxide* (Aug. 2016), https://www.whitehouse.gov/sites/default/files/omb/inforeg/august_2016_sc_ch4_sc_n2o_addendum_final_8_26_16.pdf.

² *Regulation: DOI says it is an IWG member for SCC, but mystery remains*, InsideEPA (Sept. 16, 2016), <http://insideepaclimate.com/climate-beat/regulation-doi-says-it-iwg-member-scc-mystery-remains>.

one of them.³ Similarly, the DOI was not listed as a participant in the IWG's May 2013 updated SCC TSD⁴ or its November 2013 correction.⁵ In July 2014, in response to a Congressional request, the GAO issued a report on the SCC that confirmed a list of all federal agencies and offices involved in the IWG, which did not include the DOI.⁶ Notably, according to documents obtained by the U.S. Senate Committee on Environment and Public Works, DOI officials were on correspondence addressed to IWG members in early 2015 and DOI provided edits to the IWG's draft response to comments on the SCC.⁷ Yet, the IWG's publicly released July 2015 response to comments on the SCC⁸ and technical update to the SCC TSD did *not* list the DOI.⁹

Based on these facts, it appears that DOI's role in the IWG was hidden from the public and GAO. While it is possible the DOI spokeswoman recently misinformed the press when she said, "DOI has been a member of the Interagency Working Group since it was established,"¹⁰ there was no public notice of DOI's membership in the IWG or reason provided for joining the IWG years after the IWG was convened. Moreover, such a misstatement does not explain the IWG documents released in July 2015 that failed to disclose DOI's participation.

Indeed, it is particularly critical to understand the extent of DOI's role in the IWG as there have long been calls for the Department to use the SCC and the Bureau of Land Management (BLM) within DOI has already cited the SCC in permitting related documents.¹¹ The timing of DOI's public admission that it is an IWG participant is also notable since BLM's proposed waste prevention methane rule for oil and gas production activities on onshore Federal and Indian lands is expected to be finalized by the end of this year.¹² Most of the benefits of the

³ Interagency Working Group on Social Cost of Carbon, *Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Exec. Order 12866* (Feb. 2010), <https://www.whitehouse.gov/sites/default/files/omb/inforeg/for-agencies/Social-Cost-of-Carbon-for-RIA.pdf>.

⁴ Interagency Working Group on Social Cost of Carbon, *Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Exec. Order 12866* (May 2013), https://www.whitehouse.gov/sites/default/files/omb/inforeg/social_cost_of_carbon_for_ria_2013_update.pdf.

⁵ Interagency Working Group on Social Cost of Carbon, *Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Exec. Order 12866* (Nov. 2013), <https://www.whitehouse.gov/sites/default/files/omb/assets/inforeg/technical-update-social-cost-of-carbon-for-regulator-impact-analysis.pdf>.

⁶ U.S. Gov't Accountability Office, *Regulatory Impact Analysis: Development of Social Cost of Carbon Estimates*, GAO-14-663 (July 2014) at 6, <http://www.gao.gov/assets/670/665015.pdf>.

⁷ On file with majority staff of the U.S. Senate Committee on Environment and Public Works.

⁸ Interagency Working Group on Social Cost of Carbon, *Response to Comments: Social Cost of Carbon for Regulatory Impact Analysis Under Exec. Order 12866* (July 2015), <https://www.whitehouse.gov/sites/default/files/omb/inforeg/scc-response-to-comments-final-july-2015.pdf>.

⁹ Interagency Working Group on Social Cost of Carbon, *Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Exec. Order 12866* (July 2015), <https://www.whitehouse.gov/sites/default/files/omb/inforeg/scc-tds-final-july-2015.pdf>.

¹⁰ *Regulation: DOI says it is an IWG member for SCC, but mystery remains*, InsideEPA (Sept. 16, 2016), <http://insideepaclimate.com/climate-beat/regulation-doi-says-it-iwg-member-scc-mystery-remains>

¹¹ Internal DOI Memorandum, *Addressing Climate Change Under NEPA*, http://www.eenews.net/assets/2015/04/15/document_gw_01.pdf.

¹² Waste Prevention, Production Subject to Royalties, and Resource Conservation, 81 Fed. Reg. 6616 (proposed Feb. 8, 2016), http://www.blm.gov/style/medialib/blm/wo/Communications_Directorate/public_affairs/news

rule are derived using the social cost of methane estimates,¹³ and DOI's public participation in the IWG suggests inclusion of these estimates in its benefit calculations for the final rule.

Above all, these conflicting reports illustrate the very reason why the extreme lack of transparency regarding the activities of this particular IWG is of such concern. There is no excuse for denying the public basic information about the workings of the federal government—the IWG should be no exception. Accordingly, we respectfully request complete and thorough answers to the following questions by no later than close of business on November 10, 2016.

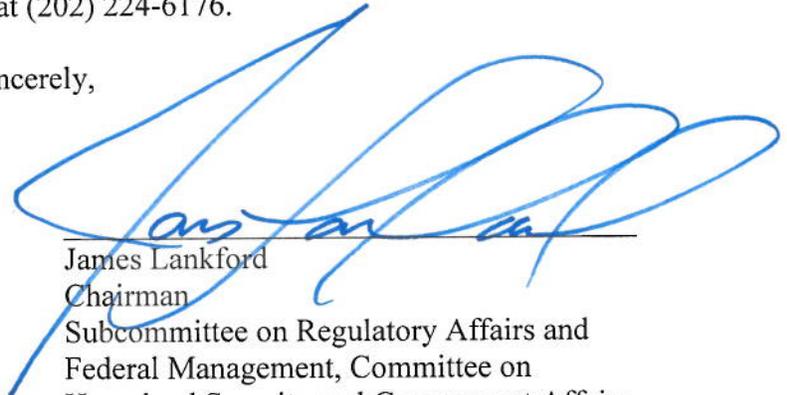
1. When did the DOI first join the IWG? Who at DOI made the decision to join the IWG? What was the reason for DOI joining the IWG?
2. Assuming the DOI spokeswoman's statement that the Department has been a member of the IWG since the beginning is correct, why was DOI's participation not reported to GAO and why was DOI not identified as a participant in any of the IWG TSDs prior to August 2016?
3. Who at DOI has served and currently serves on the IWG? Please provide a list of each DOI official, including their position and contribution to the IWG, who has served (including the period of their service) and currently serves on the IWG.
4. How many DOI resources have been dedicated to participation in the IWG?
5. How has DOI used the IWG's TSDs? Please provide a list of each instance the DOI has used the IWG TSDs. How does the DOI plan to use the IWG TSDs moving forward?

Thank you for your attention to this matter. We look forward to your prompt response. If you have any questions with this request, please contact Brittany Bolen of the Committee on Environment and Public Works' majority staff at (202) 224-6176.

Sincerely,



James M. Inhofe
Chairman
Committee on Environment and Public Works



James Lankford
Chairman
Subcommittee on Regulatory Affairs and
Federal Management, Committee on
Homeland Security and Government Affairs

[release_attachments.Par.15043.File.dat/VF%20Proposed%20Rule%20Waste%20Prevention.pdf](http://www.blm.gov/style/medialib/blm/wo/Communications_Directorate/public_affairs/news_release_attachments.Par.15043.File.dat/VF%20Proposed%20Rule%20Waste%20Prevention.pdf).

¹³ Regulatory Impact Analysis, Revisions to 43 CFR 3100 (Onshore Oil and Gas Leasing) and 43 CFR 3600 (Onshore Oil and Gas Operations) Additions of 43 CFR 3178 (Royalty-Free Use of Lease Production) and 43 CFR 3179 (Waste Prevention and Resource Conservation) (Jan. 14, 2016), U.S. Bureau of Land Management, http://www.blm.gov/style/medialib/blm/wo/Communications_Directorate/public_affairs/news_release_attachments.Par.11216.File.dat/VF%20Regulatory%20Impact%20Analysis.pdf.

The Honorable Sally Jewell

October 27, 2016

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A handwritten signature in blue ink, reading "M. Michael Rounds", is written over a horizontal line.

M. Michael Rounds

Chairman

Subcommittee on Superfund, Waste

Management, and Regulatory Oversight

Committee on Environment and Public Works

cc: The Honorable Howard A. Shelanski
Administrator
Office of Information and Regulatory Affairs