

United States Senate
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, DC 20510-6175

July 21, 2015

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Administrator McCarthy:

We write in regards to heightened Congressional concerns with the Obama Administration's lack of transparency and accountability in developing and updating the social cost of carbon (SCC) estimates. As you are aware, the SCC is a complex figure developed by a clandestine Interagency Working Group (IWG) and cited by the Administration as the presumed cost of a ton of carbon dioxide. On July 2, 2015, the Administration released a technical update to the SCC and a response to 150 substantive public comments submitted on the estimates.¹ Despite the IWG spending over a year and four months reviewing these comments,² the SCC update reflected a mere \$1.00 difference in the SCC estimates and provided superficial responses to public comments. Such a delayed and lax response is wholly inadequate and only compounded by the fact the Administration has obstinately withheld basic information about the IWG from Congress and the public.

In light of the far-reaching application of the SCC to federal regulations, guidance documents, permitting decisions, and even grants applications, Congressional oversight of the SCC is ever more important. As of July 13, 2015, the SCC has been cited in 114 proposed or final rules across six federal agencies and offices.³ The Environmental Protection Agency (EPA) is one of the primary users of the SCC in its regulatory analyses. It is the linchpin of all the Agency's purported climate benefits even though the SCC is based on global benefits while the costs are borne solely by Americans.⁴ Critically, despite the veil of the IWG and the

¹ *Response to Comments: Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866*. Interagency Working Group on Social Cost of Carbon, United States Government, July 2015, available at <https://www.whitehouse.gov/sites/default/files/omb/inforeg/scc-response-to-comments-final-july-2015.pdf>

² Comment period ended February 26, 2014. See Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Exec. Order No. 12866, Notice of extension of public comment period, 79 Fed. Reg. 4359 (Jan. 27, 2014), available at <http://www.gpo.gov/fdsys/pkg/FR-2014-01-27/pdf/2014-01605.pdf>.

³ See

<http://www.regulations.gov/#!searchResults:rpp=25:po=0;s=%2522social%252Bcost%252Bof%252Bcarbon%2522;dkt=R;dct=PR%252BF8> (last visited July 14, 2015).

⁴ Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units, 79 Fed. Reg. 34830 (June 18, 2014), available at <http://www.gpo.gov/fdsys/pkg/FR-2014-06-18/pdf/2014-13726.pdf>.

Administration's resistance to SCC transparency, we have learned that the EPA, in fact, was responsible for calculating the SCC estimates.⁵ The Agency has further explained that "EPA staff from the Office of Policy (OP) and Office of Air and Radiation (OAR) provided technical expertise to the broader SCC workgroup as needed."⁶ We have also identified several former or current EPA officials who directly participated in the IWG.⁷ Accordingly, as an integral participant in the IWG, we are requesting corresponding documents directly from the EPA.

Congress's oversight interest in the SCC is well established. Since the May 2013 SCC update, nearly a dozen Congressional requests have been sent to the EPA, the Office of Information and Regulatory Affairs (OIRA), or other agencies and offices seeking information on the SCC. Most recently, on March 9, 2015, we sent OIRA a letter asking about the IWG's role and status in reviewing public comments, participants of the IWG, and information regarding the process used to review and potentially update the SCC estimates.⁸ However, OIRA's response was insufficient, failed to provide specific information requested such as details regarding IWG participants or specifics about the review process, and outright ignored the request for documents.⁹ OIRA instead provided generic information, most of which was already available on OIRA's website and included in the SCC technical support document. Congressional requests for information on the SCC during the 113th Congress yielded similarly ambiguous answers from the Administration.

In order for Congress to fully understand the development of and updates to the SCC, we request that EPA please provide, by no later than August 11, 2015, all documents and communications referring or relating to the "social cost of carbon" or the "SCC" from January 20, 2009,¹⁰ to present.

⁵ "EPA officials—sometimes with the assistance of the model developers—calculated the estimates." GOV'T ACCOUNTABILITY OFFICE, REGULATORY IMPACT ANALYSIS: DEVELOPMENT OF SOCIAL COST OF CARBON ESTIMATES, GAO-14-663 (July 2014), available at <http://www.gao.gov/assets/670/665015.pdf>.

⁶ *Nominations of Janet G. McCabe to be the Assistant Administrator for Air and Radiation of the U.S. Environmental Protection Agency, Ann E. Dunkin to be the Assistant Administrator for Environmental Information of the U.S. Environmental Protection Agency, and Manuel H. Ehrlich, Jr., to be a Member of the Chemical Safety and Hazard Investigation Board: Hearing Before the S. Comm. on Env't & Pub. Works*, 113th Cong (Apr. 8, 2014) (Janet McCabe Response to Questions Submitted for the Record by Senator Vitter) (on file with Committee).

⁷ For example, "[a]ll the authors actively participated in the interagency SCC discussion." Charles Griffiths, Elizabeth Kopits, Alex Marten, Chris Moore, Steve Newbold & Ann Wolverton, *Estimating the "Social Cost of Carbon" for Regulatory Impact Analysis*, RESOURCES FOR THE FUTURE (Nov. 8, 2010), <http://www.rff.org/Publications/WPC/Pages/Estimating-the-Social-Cost-of-Carbon-for-Regulatory-Impact-Analysis.aspx>.

⁸ Letter from Senator James Inhofe and Republican Senators to Howard Shelanski, Administrator, Office of Information and Regulatory Affairs (Mar. 9, 2015), available at <http://www.epw.senate.gov/public/index.cfm/press-releases-republican?ID=FC99F49F-92DA-14BE-B174-0E64E249F248>.

⁹ Letter from Howard Shelanski to Senator James Inhofe, Chairman, S. Comm. on Env't & Public Works (Apr. 06, 2015) (on file with Committee).

¹⁰ According to the Government Accountability Office, the IWG was convened "[i]n early 2009." GOV'T ACCOUNTABILITY OFFICE, REGULATORY IMPACT ANALYSIS: DEVELOPMENT OF SOCIAL COST OF CARBON ESTIMATES, GAO-14-663 (July 2014) at 6, available at <http://www.gao.gov/assets/670/665015.pdf>.

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Thank you for your prompt attention to this matter. If you have any questions with this request, please contact the Senate Committee on Environment and Public Works at (202) 224-6176.


Sincerely,



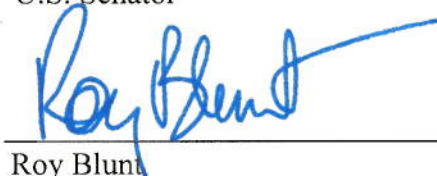
James M. Inhofe
Chairman



David Vitter
U.S. Senator



John Barrasso
U.S. Senator



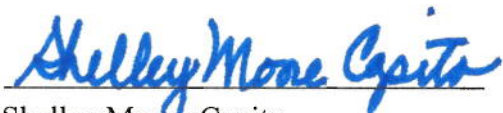
Roy Blunt
U.S. Senator



John Boozman
U.S. Senator



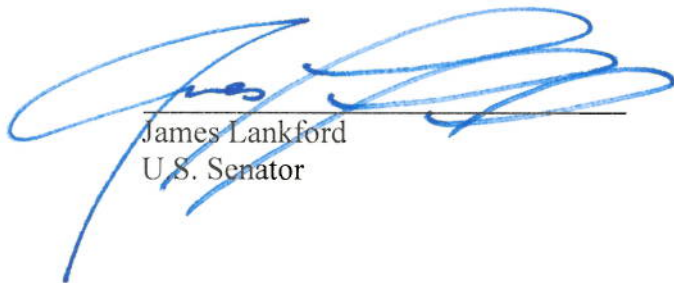
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Shelley Moore Capito
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