



February 24, 2022

The Honorable Deb Haaland
Secretary of the Interior
Department of the Interior
1849 C Street, NW
Washington, DC 20240

Dear Secretary Haaland,

The American Petroleum Institute is writing to request clarification on the Department of the Interior's (DOI) response to the recent court order in *Louisiana v. Biden* (W.D. La., Feb. 11, 2022) regarding the interim estimates for the Social Cost of Greenhouse Gases (SC-GHG). In response to the recent preliminary injunction, the DOI remarked that "delays are expected in permitting and leasing of oil and gas programs"¹. Additionally, in a recent Motion for Stay Pending Appeal, the Department of Justice noted, "...work surrounding public-facing rules, grants, leases, permits, and other projects has been delayed or stopped altogether so that agencies can assess whether and how to proceed."²

In a time of tight markets for oil and natural gas and geopolitical unrest, American energy serves as a strategic asset and stabilizing force for global energy security. Unwarranted delays in federal "permitting and leasing" of American energy is exactly the wrong policy for DOI to follow. American energy producers need clarity as they strive to provide reliable and affordable energy for the United States and the world. We respectfully ask that DOI describe what specific actions and decisions are delayed and for how long.

Receiving additional information on the following items would be beneficial to enable safe and responsible development of abundant American natural gas and oil resources:

1. In the Declaration of Dominic Mancini accompanying the Federal Government's request for a stay (Declaration), DOI had identified "several" lease sales that would need revised NEPA analysis before they could be finalized. Can you identify the leases sales that need to be revised?³
2. In the Declaration, DOI identified 18 Applications for Permits to Drill that included the now enjoined social cost of greenhouse gas emissions. Can you confirm that no other permits have been affected by the preliminary injunction?⁴

Lastly, the current guidance for use of the SC-GHG notes that the SC-GHG is not required for NEPA analysis⁵, and as noted in the Declaration, no court has held that NEPA requires providing monetary impacts of emissions associated with

¹ Friedman, Lisa. "Biden Administration Halts New Drilling in Legal Fight Over Climate Costs." New York Times, New York, February 20, 2022, <https://www.nytimes.com/2022/02/20/climate/carbon-biden-drilling-climate.html>

² Mot. For a Stay Pending Appeal, *State of Louisiana et al v. Joseph R Biden Jr et al*, No. 2:21-cv-01074-JDC-KK [2022] (U.S. Dist. W. Dist. Louisiana, LA).

³ Mot. For a Stay Pending Appeal, *State of Louisiana et al v. Joseph R Biden Jr et al*, No. 2:21-cv-01074-JDC-KK [2022] (U.S. Dist. W. Dist. Louisiana, LA). Exhibit 1: Declaration of Dominic J. Mancini. P.13

⁴ *State of Louisiana et al v. Joseph R Biden Jr et al*, [2022] (U.S. District Court Western District of Louisiana). Exhibit 1: Declaration of Dominic J. Mancini. P.14

⁵ Final Guidance for Federal Departments and Agencies on Consideration of Greenhouse Gas Emissions and the Effect of Climate Change in National Environmental Policy Act Reviews, August 1, 2016, p. 32



federal actions.⁶ API believes that the SC-GHG should be limited to the development of regulatory impact analyses (RIA) for significant regulatory actions involving GHG emissions. The initial Social Cost of Carbon (SCC), published in 2010, was developed specifically for use in regulatory analysis. The methodology for the Interim SC-GHG estimates published in 2021 has not deviated from the methodology of the initial SCC and therefore retains the initial intent. The SC-GHG estimates are generated with a broad range of variability and uncertainty, which render them inappropriate for use in any project-level or site-specific application.

Additionally, in any case where there is only partial monetization of impacts, the inclusion of the SC-GHG, despite its inherent uncertainty and a broad range of variability, could lead to the perception that these impacts are somehow more certain than impacts that have not been monetized. API is committed to accelerating action to address the risks of climate change, as outlined in our Climate Action Framework, but we do not support the expanded use of the Interagency Working Group's SC-GHG estimates, into NEPA impact assessments for instance, beyond their intended application in regulatory cost-benefit analysis.

We understand that the preliminary injunction has caused confusion – not just for our industry, but for the Agency and across the federal government. However, we believe there are ways that DOI can analyze and communicate the effect of federal actions on climate change without monetizing the effects and without using the SC-GHG that will not burden the Agency and allow it to complete its obligations to manage the development of natural gas and oil on federal lands.

Aside from the issues raised regarding the recent court order, we urge the department to prioritize and move forward with its statutory requirements to issue quarterly lease sales for onshore energy development and issue a new five-year plan for offshore development among other departmental priorities.

We appreciate your attention to this matter. If you have any questions, please contact Frank Macchiarola of my staff at 202-682-8167 or macchiarolaf@api.org

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael Korman'.

⁶ Final Guidance for Federal Departments and Agencies on Consideration of Greenhouse Gas Emissions and the Effect of Climate Change in National Environmental Policy Act Reviews, August 1, 2016, p. 32

⁶ Declaration, p 13,14