



GOP Officials Petition Supreme Court to Block Use of "Social-cost" Metric in Climate-related Decisions

On Thursday, a group of 10 energy-producing states led by Republican officials asked the U.S. Supreme Court to reinstate a ban on the federal government's use of a controversial and speculative "social-cost" metric when evaluating carbon-producing industries. The so-called social cost metric was a means of quantifying in dollar amounts the impact on society of emitting greenhouse gasses into the atmosphere.

The social-cost metric adds a dollar amount for every additional ton of greenhouse gas that a company emits in order to compensate for anticipated future damage due to climate change — sea level rise, droughts, wildfires, etc.



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Under former president Donald Trump, the cost to the climate for carbon emissions was approximately \$7.00 per ton of emissions. After Biden's Executive Order 13990, that cost rose to approximately \$51 per ton.

Ten states — Louisiana, Alabama, Florida, Georgia, Kentucky, Mississippi, South Dakota, Texas, West Virginia, and Wyoming — sought to block a specific portion of Biden Executive Order 13990, which attempts to monetize potential climate damages.

The states argue that the speculative social-cost estimates harm their economies and ensure "climate friendly" policies in every sector of the American economy. Under Biden's executive order, the social-cost carbon metric is calculated on the global effects of carbon emissions — not just U.S. effects.

"The Estimates are a power grab designed to manipulate America's entire federal regulatory apparatus through speculative costs and benefits so that the Administration can impose its preferred policy outcomes on every sector of the American economy," the state officials wrote in their brief dated Thursday.

As Executive Order 13990 itself explains:

It is essential that agencies capture the full costs of greenhouse gas emissions as accurately as possible, including by taking global damages into account. Doing so facilitates sound decision-making, recognizes the breadth of climate impacts, and supports the international leadership of the United States on climate issues. The "social cost of carbon" (SCC), "social cost of nitrous oxide" (SCN), and "social cost of methane" (SCM) are estimates of the monetized damages associated with incremental increases in greenhouse gas emissions.

The states first brought up the use of the social-cost metric back in February when U.S. District Judge



Written by **James Murphy** on April 29, 2022



James Cain ruled that the metric would "artificially increase the cost estimates of lease sales," and barred its use.

Moreover, it increases cost based on speculative science. Those costs are set by the Interagency Working Group (IAWG), which features bureaucrats from 70 different federal agencies whose mission is to improve "the coordination, efficiency, and effectiveness of United States Government." The group was first used to set carbon costs by President Obama.

"The Court agrees that the public interest and balance of equities weigh heavily in favor of granting a preliminary injunction," Cain wrote in the February order to block the metric.

But in March, a three-judge panel of the <u>Fifth Circuit</u> removed that injunction, finding that the states lacked standing to sue on the issue. In an ironic twist, the Fifth Circuit's panel also concluded that the fiscal injuries that the states claimed were too "hypothetical" to permit them to challenge the completely hypothetical social-cost of carbon emissions.

The movement to get rid of the Biden administration's cost-raising climate demand is being spearheaded by Louisiana Attorney General Jeff Landry.

"Agriculture, energy, and virtually every other manufacturing industry is at stake; and today, a federal judge in Louisiana recognized that the federal government does not have this reach," Landry stated at the time of Cain's injunction.

"Biden's attempt to control the activities of the American people and the activities of every business from Main Street to Wall Street has been halted today," Landry said in February. "Biden's executive order was an attempt by the government to take over and tax the people based on winners and losers chosen by the government."

Upon the Fifth Circuit's reversal, Landry vowed to continue the fight against the Biden administration's edict.

"We are disappointed in the 5th Circuit's decision and we will appeal to the Supreme Court," Landry said.

And now, that time has come. Whether the court decides to rule on the matter is another question.





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