

 Columbia Law School | COLUMBIA CLIMATE SCHOOL  
SABIN CENTER FOR CLIMATE CHANGE LAW

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U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue NW  
Washington, DC 20460

To Whom it May Concern:

Columbia Law School’s Sabin Center for Climate Change Law (“Sabin Center”) respectfully submits these comments in response to the U.S. Environmental Protection Agency’s (EPA’s) September 16, 2025 proposed rule *Reconsideration of the Greenhouse Gas Reporting Program*.<sup>1</sup>

The Sabin Center develops legal techniques to fight climate change, trains students and lawyers in their use, and provides the public with resources on key topics in climate law and regulation.

## Introduction

The EPA’s September 16, 2025 proposed *Reconsideration of the Greenhouse Gas Reporting Program* (the Reconsideration Proposal) seeks comment on: (1) its proposed conclusion that “CAA section 114 does not authorize the GHGRP as presently constituted”; (2) its alternative proposal to rescind the GHGRP (except for nine of the ten segments in subpart W, which would be suspended until RY2034), as an exercise in discretion, including on any legitimate reliance interest that bears on the statutory purposes for which CAA section 114(a) authorizes the Agency to impose information collection and reporting obligations; and (3) the costs of GHGRP reporting to industry stakeholders, and whether such costs are commensurate to any relevant benefits.

This comment respectfully submits that the Reconsideration Proposal has misidentified the GHGRP’s principal benefits, while overlooking the statutory mandate for providing these benefits, and while miscalculating their value relative to program costs. Most notably, the Reconsideration Proposal treats the GHGRP’s public-facing component as incidental, when in fact this dissemination function is a foundational feature of the program, fulfilling express Clean Air Act obligations. The Reconsideration Proposal likewise fails to account for the benefits of ongoing disclosure, as public-stakeholder feedback pushes corporate disclosers to mitigate harmful externalities such as greenhouse gas (GHG) emissions. The Reconsideration Proposal further fails to account for cost-saving benefits that derive from a uniform national reporting

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<sup>1</sup> [Reconsideration of the Greenhouse Gas Reporting Program](#), 90 Fed. Reg. 44591 (Sept. 16, 2025).

mandate. It also overstates future reporting costs attributable to the GHGRP, because imminent state-level and international climate-risk disclosure regimes will soon require much of the same emissions data, enhancing the cost efficiencies from uniform disclosure.

### **1. The Reconsideration Proposal Mischaracterizes the GHGRP as Strictly Designed to Inform Agency Decision-Making**

The Reconsideration Proposal provides as a basic rationale for withdrawing most GHGRP reporting requirements that “since 2011, [the EPA] has not used most of the information collected to carry out other provisions under the CAA,” and that “the Administrator no longer believes the information is necessary to carry out the provisions of the CAA, including relevant rulemaking and enforcement functions.” These narrow assessments of the GHGRP’s utility fail to account for the program’s driving purpose: providing actionable emissions data to a wide range of stakeholders (in part to reduce the need for regulatory interventions and enforcement actions of the very type that the Reconsideration Proposal centralizes).

The GHGRP departs from many federal reporting mandates by prioritizing public dissemination (rather than agency safekeeping) of corporate data. This was intentional. From the October 30, 2009 rule promulgating the GHGRP (the Promulgating Rule)<sup>2</sup> until the present, the EPA has identified as the GHGRP’s central societal benefit its contribution to informed public discourse and engagement on greenhouse gas emissions.

The 2009 Promulgating Rule’s Section E (“What are the benefits of the rule for society?”) lays the groundwork for all future formulations of this program’s public-facing mission. Before Section E’s survey of program benefits addresses specific federal-government applications of collected GHGRP data, Section E first stresses broader dissemination of that data, and its catalyzing consequences:

Transparent, public data on emissions allows for accountability of polluters to the public stakeholders who bear the cost of the pollution. Citizens, community groups, and labor unions have made use of data from [previous corporate disclosure programs] to negotiate directly with polluters to lower emissions, circumventing greater government regulation. Publicly available emissions data also will allow individuals to alter their consumption habits based on the GHG emissions of producers.

This blueprint for GHGRP operations makes clear that some of the new program’s most meaningful (and, notably, cost-effective) impacts will involve “circumventing greater government regulation,” and facilitating individuals’ personal efforts to “alter their consumption habits.” Given these express goals of minimizing the need for bureaucratic intervention, the Reconsideration Proposal is misguided, and contrary to statutory purpose, in rushing to draw a negative conclusion from the fact that GHGRP data has served as the basis for few regulatory actions in recent years. This very outcome may point to the program’s success, not its failure.

Additional indications of the program’s intended catalyzing role across society (particularly, “[s]tates, other agencies, policy makers, and the public” responding to GHGRP data) are found

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<sup>2</sup> [Mandatory Reporting of Greenhouse Gases](#), 74 Fed. Reg. 56260 (Oct. 30, 2009).

throughout the Promulgating Rule. At an early moment of digitization, for example, this 2009 rule rationalizes a requirement of electronic reporting, so that “submitted data can be readily sorted and analyzed by EPA and members of the public.” The Promulgating Rule likewise clarifies that one-time data collection or distribution will not suffice. Ongoing disclosure is necessary, since by “using the rich data set provided by this rulemaking, EPA, States and the public will be able to track emission trends from industries and facilities within industries over time.”

The GHGRP’s stated mission as promulgated in 2009 directly informs its stated mission today. Currently, the EPA-managed GHGRP [website](#) provides the following introduction to the program on its “[Learn About the Greenhouse Gas Reporting Program \(GHGRP\)](#)” page:

This data can be used by businesses and others to track and compare facilities' greenhouse gas emissions, identify opportunities to cut pollution, minimize wasted energy, and save money. States, cities, and other communities can use EPA’s greenhouse gas data to find high-emitting facilities in their area, compare emissions between similar facilities, and develop common-sense climate policies.

The website links to [Frequently Asked Questions](#) regarding this disclosure program. Its current answer to FAQ #405 (“[What are the benefits of this data?](#)”), which was last updated by the first Trump administration, on September 23, 2019, states:

Information in the database can be used by communities to identify nearby sources of greenhouse gas emissions, help businesses track emissions and identify cost- and fuel-saving opportunities, inform policy at the state and local levels, and provide important information to the finance and investment communities.

More broadly, the [FAQs](#) point to dozens of distinct use cases for public stakeholders, as they consider how to respond to the emissions trends for specific industries over the GHGRP’s lifespan.

In sum, the Reconsideration Proposal fails to recognize that the GHGRP treats the EPA as the conduit for widespread dissemination of emissions data—not as the principal user of this data.

#### **A. The GHGRP Fulfills Clean Air Act Mandates Overlooked by the Reconsideration Proposal**

The Reconsideration Proposal’s capacious formulation for lawful action under the Clean Air Act’s Section 114 (a)(1) includes requiring emissions disclosures for the purpose of “carrying out any provision of the CAA other than a provision of Title II.” Yet the Reconsideration Proposal reads this Section 114 (a)(1) authorization too narrowly, in finding that most GHGRP reporting requirements “do not serve an underlying statutory purpose.” For example, CAA Section 103 (“Research, Training, Investigation, and Other Activities”) outlines multiple avenues of legal authority for the EPA to promote public-galvanizing effects of the type described above.

Most notably, the Promulgation Rule’s stated GHGRP benefits, such as providing “public data on emissions [which] allows for accountability of polluters to...public stakeholders,” clearly fulfill components of Section 103(b)(6)’s mission to “collect and disseminate, in cooperation with...public or private...organizations...basic data on...air pollution and the prevention...thereof.”<sup>3</sup> Additional GHGRP benefits stated in the Promulgation Rule, such as facilitating efforts by “[c]itizens, community groups, and labor unions...to negotiate directly with polluters to lower emissions” offer a civic-minded illustration of the Section 103(b)(7) imperative to “develop...practical...methods...for the prevention or control of air pollution.”<sup>4</sup>

The GHGRP’s focus on actionable data dissemination likewise serves Section 103(a)(1)’s mandate to “promote the coordination...of, research, investigations, experiments, demonstrations, surveys, and studies relating to the causes, effects...extent, prevention, and control of air pollution”<sup>5</sup>; as well as Section 103(a)(5)’s mandate to “promote coordination...of training for individuals relating to the causes, effects, extent, prevention, and control of air pollution.”<sup>6</sup>

Considering the above, it is clear the 2009 Promulgation Rule correctly determined that the GHGRP “is authorized by, and the information being gathered by the rule is relevant to implementing, the existing CAA.” Moreover, as CAA Section 103 makes manifest, that obligation extends far beyond mere EPA rulemaking and enforcement actions. By extension, the Reconsideration Proposal’s calculation of GHGRP benefits that “serve an underlying statutory purpose” is lacking, and its weighing of program costs “commensurate to any relevant benefits” is equivalently skewed.

## **B. The Empirical Record Confirms the Value of Catalyzing Public Stakeholders Through GHG Disclosure**

The social-science literature on effective disclosure mechanisms confirms that a reporting program like the GHGRP can prompt meaningful responses by a broad range of non-agency entities, in fulfillment of Section 103(b)(6)’s mandate to “collect and disseminate, in cooperation with...public or private...organizations...basic data on...air pollution and the prevention...thereof.” While limited empirical research has been published on the GHGRP’s broader public effects, studies of equivalent emissions-reporting regimes in the United Kingdom and France illustrate disclosure’s significant impacts on relevant stakeholders.

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<sup>3</sup> The full Section 103(b)(6) provision authorizes the EPA to “collect and disseminate, in cooperation with other Federal departments and agencies, and with other public or private agencies, institutions, and organizations having related responsibilities, basic data on chemical, physical, and biological effects of varying air quality and other information pertaining to air pollution and the prevention and control thereof.”

<sup>4</sup> The full Section 103(b)(7) provision authorizes the EPA to “develop effective and practical processes, methods, and prototype devices for the prevention or control of air pollution.”

<sup>5</sup> The full Section 103(a)(1) provision authorizes the EPA to “conduct, and promote the coordination and acceleration of, research, investigations, experiments, demonstrations, surveys, and studies relating to the causes, effects (including health and welfare effects), extent, prevention, and control of air pollution.”

<sup>6</sup> The full Section 103(a)(5) provision authorizes the EPA to “conduct and promote coordination and acceleration of training for individuals relating to the causes, effects, extent, prevention, and control of air pollution.”

For example, Jouvenot and Krueger (2021) find that, following the U.K.'s 2013 regulations under its Companies Act of 2006, which imposed stricter disclosure requirements than its European counterparts, institutional investors reallocated capital from high- to low-emissions companies in the U.K., but not in Europe.<sup>7</sup> This result suggests that disclosure triggered an increase in future costs of emissions for covered companies. The U.K.'s higher-quality disclosure regime (requiring transparent company-wide emissions reporting, rather than opaque facility-level reporting) intensified market pressure on high-emitting firms, as important stakeholders factored the regulatory risks for a dirty corporation into their decision-making. Disclosure standardization also resulted in lower information-related costs for these investors, and more efficient investment screening based on firms' emissions levels.<sup>8</sup>

In another study, Mésonnier and Nguyen (2022) investigate the effects of Article 173-6 of France's Energy Transition for Green Growth Act of 2015 (Article 173), which requires detailed reporting by French institutional investors of their exposure to climate-related risks and their efforts to mitigate climate change.<sup>9</sup> The authors use a "triple difference" design, comparing the fossil fuel intensive holdings of institutional investors and banks, in and out of France, before and after Article 173's implementation. Since neither European institutional investors outside of France, nor banks within France, faced comparable reporting requirements at the time, these entities serve as control groups.<sup>10</sup> Mésonnier and Nguyen find that French institutional investors reduced their portfolio holdings in fossil fuel securities by 32% following the imposition of the policy.<sup>11</sup> This study also considers how Article 173's disclosure mandate for institutional investors affected fossil fuel companies, finding these companies more likely to commit to explicit GHG reduction targets when French institutional investors hold more of their equity.<sup>12</sup>

More generally, to clarify how institutional investors incorporate climate-risk reporting into investment decisions, Krueger et al. (2020) provide survey evidence from over 400 respondents (while acknowledging the selection bias in data gathered from investor professionals willing to participate in a climate-risk survey).<sup>13</sup> The survey found that the two most popular actions to manage risk are conducting carbon footprint analyses and evaluating stranded asset risks. 25% of respondents reported successful direct engagements with portfolio firms on such climate-risk issues.<sup>14</sup>

Against this empirical record of GHG-disclosure prompting meaningful responses from public stakeholders, the wide-scoped statutory authorization and policy rationale for GHGRP promulgation, and the EPA's continued foregrounding of the GHGRP's catalyzing societal purpose, the Reconsideration Proposal erroneously treats agency-specific applications as the

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<sup>7</sup> Valentin Jouvenot and Philipp Krueger, Mandatory Corporate Carbon Disclosure: Evidence from a Natural Experiment 1 (July 13, 2021), <https://ssrn.com/abstract=3434490>.

<sup>8</sup> *Id.* at 38.

<sup>9</sup> Jean-Stéphane Mésonnier and Benoît Nguyen, Showing off Cleaner Hands: Mandatory Climate-Related Disclosure by Financial Institutions and the Financing of Fossil Energy, 2 (2022), <https://ssrn.com/abstract=3733781>.

<sup>10</sup> *Id.* at 4.

<sup>11</sup> *Id.* at 17.

<sup>12</sup> *Id.* at 5.

<sup>13</sup> Philipp Krueger, Zacharias Sautner, and Laura T. Starks, *The Importance of Climate Risk for Institutional Investors*, 33 REVIEW OF FINANCIAL STUDIES, 1067, 1069 (March 2020).

<sup>14</sup> *Id.* at 1071.

unilateral goal of the program. The Reconsideration Proposal mischaracterizes non-agency applications of GHGRP data as an incidental offshoot. The Reconsideration Proposal's brief acknowledgment that the "EPA is aware that there are some stakeholders who have opted to rely on certain information collected through... aspects of the GHGRP" misses the GHGRP's obviously public purpose. And the Reconsideration Proposal offers no clear indication of how the EPA will fulfil its CAA 103 obligations to "collect and disseminate, in cooperation with... public or private... organizations... basic data on" GHGs absent the GHGRP's public-facing functions. As a result, the Reconsideration Proposal fails to provide a rationale consistent with the Clean Air Act's statutory purpose, or to provide a sufficiently comprehensive cost-benefit analysis that would justify drastically scaling back the program.

## **2. The Reconsideration Proposal Fails to Account for Prevailing Social Science Models Prioritizing Ongoing Exchanges Between Disclosers and Disclosees**

The Reconsideration Proposal asserts that the "EPA believes it has more than satisfied the Congressional direction provided under the FY 2008 Consolidated Appropriations Act and FY 2009 Omnibus Act," and that "[c]ontinued data collection across all sectors does not provide additional benefits with respect to our statutory obligations relative to these costs." Yet, the Reconsideration Proposal fails to address prevailing social-science models for effective disclosure programs. According to these models, successful disclosure mechanisms rarely rely on one-time data dumps. Instead, they rely on an iterative communication process taking place between disclosers (such as corporate polluters) and disclosees (such as consumers, investors, government officials, and concerned public citizens).

Since at least 2006, two years prior to the GHGRP's appropriation authorization, economists have formulated effective disclosure processes as an ongoing exchange of "double-sided" decision-making inputs both by disclosers and disclosees.<sup>15</sup> Effective disclosure policies follow what Weil et al. (2013) describe as a "demanding 'action cycle' of information provision, use, and response":

Consumers must see and comprehend new information and integrate it into choices of products and services; target companies must perceive and act on consumers' responses in ways that reduce risks, improve services, minimize corruption, or otherwise further a policy goal. Third parties may play critical roles, translating complex information into a form more readily used by individuals in market settings.<sup>16</sup>

A virtuous cycle gets established as disclosed data prompt recipients of that information (disclosees) to signal back to the disclosing company how it should modify its behavior in order to maintain stakeholder approval. In this virtuous cycle, the disclosing firm's resulting behavioral changes lead to its enhanced market performance, and thus to more overall transparency within the firm's industry, which leads to better-informed decision-making by disclosees, and so on.

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<sup>15</sup> David Weil, Archon Fung, Mary Graham, and Elena Fagotto, The Effectiveness of Regulatory Disclosure Policies, 25 JOURNAL OF POLICY ANALYSIS AND MANAGEMENT, 155 (2006).

<sup>16</sup> David Weil, Mary Graham, and Archon Fung, Targeting Transparency, 340 SCIENCE, 1410 (June 21, 2013).

The 2009 Promulgating Rule directly anticipates this type of multi-staged, multi-party use of disclosed GHGRP data:

EPA's experience with other reporting programs is that such programs raise awareness of emissions among reporters and other stakeholders, and thus contribute to efforts to identify and implement emission reduction opportunities. These data can also be coupled with efforts at the local, State and Federal levels to assist corporations and facilities in determining their GHG footprints and identifying opportunities to reduce emissions (e.g., through energy audits or other forms of assistance).

“Coupled” efforts of this sort, which “assist” corporations to identify “opportunities,” indicate the EPA's expectation of an evolving process whereby disclosers and disclosees continue responding to each other's market signals, leading to increasingly transparent disclosures and, ideally, to reduced externalities.

Specific to the GHGRP, Tomar (2023) usefully adds corporate benchmarking (the consideration of peers' disclosures to assess one's own relative GHG performance, and make corresponding business modifications) to the list of meaningful disclosee responses that continue to have a beneficial impact over time.<sup>17</sup> Tomar compares GHGRP-covered facilities to equivalent Canadian facilities already subject to a separate disclosure regime (thus controlling for broader industry trends that affect emissions data, such as off-shoring of industrial production and replacement of coal inputs with fracking-derived natural gas).<sup>18</sup> Tomar finds that GHGRP-covered facilities decreased their GHG emissions by 7.9% relative to their non-covered peers.<sup>19</sup> Tomar's study argues that corporate benchmarking, alongside related anticipations of public pushback and future regulatory threats, appear to have spurred these emissions reductions.<sup>20</sup>

More broadly, Kraft et al. (2011) provide useful guideposts on how and why to maintain an effective public-disclosure mechanism:

[W]e want to know...which...policy tools can supplement conventional regulation and foster not just compliance, but performance that goes beyond compliance. If the potential is real and substantial, how might information disclosure policies be designed to ensure effective implementation by government agencies? To keep the burdens and costs imposed on industry to an acceptable level? To provide the most useful information to the public?<sup>21</sup>

Theorists of effective disclosure mechanisms have clarified for more than a generation the importance of these two-way discloser-disclosee exchanges, which continually recalibrate based on each party's inputs, so that disclosure does not become a stale or pointless compliance burden.

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<sup>17</sup> Sorabh Tomar, Greenhouse Gas Disclosure and Emissions Benchmarking, 61 JOURNAL OF ACCOUNTING RESEARCH, 451 (2023).

<sup>18</sup> *Id.* at 453.

<sup>19</sup> *Id.* at 467.

<sup>20</sup> *Id.* at 451.

<sup>21</sup> Michael Kraft, Mark Stephan, and Troy D. Abel, *Coming Clean: Information Disclosure and Environmental Performance*, MIT Press 19 (2011).

Instead, effective disclosure mechanisms help to unleash competitive marketplace dynamics that catalyze pro-social business innovations across the broader economy.

The Reconsideration Proposal acknowledges that CAA section 114(a)(1) does authorize collection of information on a “periodic or continuous basis.” The Reconsideration Proposal reasonably posits the need for a close nexus between “continuous reporting obligations and an underlying statutory purpose, particularly given the Agency's obligation to take the cost of information collection and reporting into account when taking action.” Yet, while the Reconsideration Proposal highlights cost burdens imposed by the GHGRP’s periodic reporting mandate, it never properly weighs those costs against the distinct benefits that only an ongoing reporting program can provide—benefits that stem directly from Weil et al.’s “demanding action cycle” of “information provision, use, and response.”

### **3. The Reconsideration Proposal Fails to Recognize the Distinct Benefits of Mandatory, Quantitative, and Uniform GHG Disclosures**

The Reconsideration Proposal asserts that: “even if the EPA has previously utilized GHGRP data, the EPA could instead collect such information from other sources, including particularized CAA section 114 information collection requests and information submitted by states, Tribes, and local governments during the CAA section 110 implementation plan review process and collaborative enforcement efforts.” Yet the Reconsideration Proposal also asserts that “any...Federal, state or local agencies or Tribes that may rely on the publicly available GHGRP data could utilize other more efficient and potentially more accurate methods for collecting the necessary information that are utilized throughout other parts of the Federal government (*e.g.*, voluntary consensus standards).” According to this convoluted scenario: the EPA can rely on third parties to gather emissions data; even as these entities compensate for their own previous reliance on the GHGRP by emulating other federal offices’ information-collection practices (though not collection practices of the nation’s preeminent emissions monitor, the EPA itself). The upshot appears to be that numerous government offices will increasingly rely on whatever data industries or individual companies care to offer.

The Reconsideration Proposal further makes the unsupported claim that reliance on corporations’ voluntary reporting of emissions data is “potentially more accurate.” However, the Reconsideration Proposal elsewhere notes that “a voluntary reporting program could also result in submittal of incomplete or piecemeal reports, and the verification and accuracy of the data submitted would be limited.”

The empirical record on voluntary GHG disclosures reinforces those predictions. The contents, accuracy, and accessibility of voluntarily produced emissions data vary significantly, since voluntary programs often lack the standardized reporting requirements typical of mandatory disclosure regimes. Overall, studies of voluntary disclosures have found mixed results—concluding that voluntary regimes may lead to modest or short-term emissions reductions, but often have led to corporate greenwashing.

Williams (2025) finds among the most important characteristics of any emissions disclosure program whether “the information being disclosed is quantitative and the standards for

measurement are well defined.”<sup>22</sup> Accordingly, this comment letter’s treatment of voluntary disclosure restricts its scope to participation in organized reporting regimes (rather than any mere sustainability claim individual companies may elect to offer). Still, the literature fails to offer persuasive indication that voluntary regimes provide benefits comparable to a uniform national mandate.

Kim and Lyon (2011) research the effects of the U.S. Department of Energy’s (DOE) voluntary registry program, which permits companies to record their claimed GHG emissions reductions.<sup>23</sup> To pinpoint the impact of these program disclosures on actual emissions, the authors use propensity score matching to select a comparable control group of companies opting not to disclose. To measure the accuracy of these disclosures, Kim and Lyon compare voluntary DOE-reported emissions data to the actual emissions of electric utility companies, since those companies must report to the Federal Energy Regulatory Commission (FERC).<sup>24</sup> The study finds no statistically significant difference in reduced emissions intensity between voluntary participants and the control group. The study also finds a large gap between voluntarily reported and actual emissions, with 68% of firms that voluntarily reported emission reductions to DOE reporting actual emission increases to FERC.<sup>25</sup> This suggests that such firms “viewed the [voluntary DOE] program as a form of greenwash,” for instance by finessing selective disclosures at the facility level rather than disclosing overall company-wide emissions.

Jouvenot and Krueger (2021) focus on companies that provided voluntary disclosures prior to the U.K.’s 2013 disclosure mandate, using these voluntary disclosures to determine reporting companies’ *ex ante* emissions.<sup>26</sup> Jouvenot and Krueger can then compare post-regulation emissions to a voluntary-disclosure scenario (rather than to a no-disclosure scenario). Through this lens, the authors attribute meaningful emissions reductions to changes in the “salience and the standardization of GHG emissions disclosures,” as firms shift from disparate voluntary initiatives to a mandatory uniform regime.<sup>27</sup>

Hsueh (2022) compares S&P 500 corporations’ 2011-2016 voluntary Carbon Disclosure Project (CDP) reporting to their verified emissions data, finding company-wide emissions mostly unchanged (or, in some cases, increased) following the adoption of CDP disclosures.<sup>28</sup> Participants who voluntarily reported taking additional steps to implement carbon management practices actually increased total carbon emissions by approximately 2.4%.<sup>29</sup> Hsueh further finds that voluntary disclosure programs which emphasize open-ended sustainability metrics (such as

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<sup>22</sup> Cynthia A. Williams, Does Climate Disclosure Work to Reduce Greenhouse Gas Emissions? Emerging Evidence Suggests Cautious Optimism, 48 SEATTLE U. L. REV. 571, 577 (2025).

<sup>23</sup> Eun-Hee Kim and Thomas Lyon, Strategic Environmental Disclosure: Evidence from the DOE’s Voluntary Greenhouse Gas Registry, *Journal of Environmental Economics and Management*, 311 (2011).

<sup>24</sup> *Id.* at 312.

<sup>25</sup> *Id.* at 320.

<sup>26</sup> Jouvenot and Krueger, *supra* note 7, at 3.

<sup>27</sup> *Id.*

<sup>28</sup> Lily Hsueh Do Businesses that Disclose Climate Change Information Emit Less Carbon? Evidence from S&P 500 Firms, 13 CLIMATE CHANGE ECONOMICS, 5 (2022).

<sup>29</sup> *Id.* at 18.

emissions targets and aspirational carbon-management practices) appear less effective than those focused on third-party verification of actual emissions reductions.<sup>30</sup>

Consistent with the double-embedded model for effective disclosure outlined above, Hsueh attributes the emissions reductions of “dirty” industries to enhanced scrutiny by regulators, politicians, and the public.<sup>31</sup> Yet whether the disclosure process itself triggered these reductions, or instead incentivized voluntary reporting from firms more likely to achieve such reductions, remains an open question. By extension, industries with cleaner reputations were found to engage in inaccurate reporting practices that stakeholders were less able to verify. Any such skewing of both industry-wide and company-specific emissions reporting makes all the more questionable the Reconsideration Proposal’s unsubstantiated reference to “more efficient and potentially more accurate methods” of disclosure than a uniform, quantitative, and mandatory regime.

#### **4. The Reconsideration Proposal Fails to Recognize the Cost-Savings Benefits of Mandatory, Quantitative, and Uniform GHG Disclosures**

The Reconsideration Proposal likewise declines to acknowledge important cost-saving benefits provided by the GHGRP’s mandatory, quantitative, and uniform reporting regime—standardization benefits that a national agency operating with express regulatory authority is best positioned to deliver. Through distinct benefits such as these, the GHGRP, as the Promulgating Rule makes clear, “supplements and complements, rather than duplicates, existing U.S. government programs (e.g., climate policy and research programs)”:

There are a growing number of programs at the State, Tribe, Territory, and local level that require emission sources in their respective jurisdictions to monitor and report GHG emissions. In order to be consistent with and supportive of these programs and to reduce burden on reporters and program agencies, EPA plans to share emissions data...with relevant agencies or approved entities using, where practical, common data exchange standards and infrastructure.

The Promulgating Rule likewise offers a persuasive rationale of why uniform national reporting has a greater chance of reducing compliance costs for disclosers than a more fragmented regulatory ecosystem:

Standardization will also be a benefit to industry, once facilities invest in the institutional knowledge and systems to report emissions, the cost of monitoring should fall and the accuracy of the accounting should improve.

By contrast, the Reconsideration Proposal fails to offer a coherent account of how returning to a more piecemeal regulatory ecosystem will now reduce reporters’ regulatory burden—particularly after disclosing corporations already have made the disproportionate up-front investment in first-time reporting.

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<sup>30</sup> *Id.* at 1.

<sup>31</sup> *Id.* at 23.

Here it is also important to consider the increasingly complex overlay of emissions-disclosure regimes that many U.S. corporations will face in the near future. The Reconsideration Proposal would withdraw federal reporting requirements precisely as climate-risk reporting regimes begin to cover U.S. firms (of sufficient size and reach) under California's [Climate Corporate Data Accountability Act](#) and the European Union's [Corporate Sustainability Reporting Directive](#).

Within this emerging regulatory context, ongoing GHGRP program operations would provide distinct new benefits for covered companies, even as reporting costs attributable solely to the GHGRP mandate decline. For an example of a new benefit: under the EU's 2024 methane regulations, U.S. companies already subject to a reporting regime as thorough and credible as the GHGRP may be able to qualify for an "equivalence determination" exemption from any EU-specific disclosure obligations. For an example of reductions in GHGRP-specific reporting costs: as California, the EU, and certain voluntary regimes increasingly require Scope 3 reporting (emissions up and down a firm's supply chain), the share of a reporting burden that would be alleviated by withdrawal of the GHGRP (which does not cover Scope 3 disclosures) draws ever closer to negligible.

Here again, however, the Reconsideration Proposal weighs the GHGRP's comparably modest compliance costs (\$303 million total for 8,200 facilities, roughly equating to \$37,000 per facility) against the GHGRP's purported lack of tangible benefits. Nor does the Reconsideration Proposal clarify how much of this \$303 million in projected savings on reporting costs would soon be eaten up by California and EU disclosure requirements regardless.

## **Conclusion**

With elimination of most GHGRP requirements likely to make even the nation's premier emissions regulator increasingly reliant on less accessible, less reliable, and less easily comparable data streams, the GHGRP's manifold benefits stand out all the more clearly. Moreover, a proper accounting of GHGRP benefits must consider its catalyzing impact on society-wide efforts to reduce GHG externalities. Yet the Reconsideration Proposal conspicuously lacks such considerations. It mischaracterizes the GHGRP as strictly designed to inform agency decision-making, and as otherwise lacking statutory authorization. It fails to account for prevailing social-science models prioritizing ongoing exchanges between disclosers and disclosees. And it fails to recognize the distinct (and cost-saving) benefits of mandatory, quantitative, and uniform GHG disclosures, particularly at a moment of inter-jurisdictional regulatory complexity.

Thank you for the opportunity to provide comments. Please do not hesitate to contact the Sabin Center with any questions.

Respectfully submitted,

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