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U.S. Environmental Protection Agency
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**Public Input from the R Street Institute on the
Reconsideration of the Greenhouse Gas Reporting Program**
(Docket ID No. EPA-HQ-OAR-2025-0186)

To Whom It May Concern,

The R Street Institute (R Street) is offering public input on the proposed reconsideration of the Greenhouse Gas Reporting Program (GHGRP). R Street is a nonpartisan, free market policy institute that aims to identify market-based solutions to key policy challenges, including environmental ones.

While we applaud the intent of the Environmental Protection Agency (EPA) to reduce the economic burdens borne by the public, we note that modifying the GHGRP may achieve a better balance of capturing benefits without introducing various risks that could stem from full repeal. In this comment, we make three key points:

1. Because industry is already positioned to comply with the GHGRP and other reporting requirements, the EPA may be overestimating the benefits of repealing the GHGRP because firms are still likely to employ workers with compliance skills.
2. Repealing the GHGRP could introduce new risk to firms that rely on existing reporting mechanisms to satisfy demands from customers, such as foreign customers with their own

greenhouse gas (GHG) reporting requirements or customers seeking emission disclosure who would prefer more stringent reporting criteria.

3. When implementing the GHGRP initially, the EPA considered an array of thresholds for mandating compliance with various costs. We invite the EPA to reconsider the GHGRP within this original framework, noting that modifications to reporting thresholds or program compliance could retain program benefits while capturing reductions in regulatory burden similar to how a repeal would.

Economic Benefits of GHGRP Repeal May Be Overestimated

The economic burdens of new regulatory policy are typically front-loaded, with benefits further out. The proposed repeal of the GHGRP is estimated to save approximately \$303 million per year—41 percent higher than the 2009 estimated annual cost of \$215 million in 2025 dollars (\$132 million in 2006 dollars).¹ However, the recoverability of these funds is likely to fall well short of the estimated \$303 million per year because the industry is already positioned to comply with the GHGRP.

The estimated benefits of repealing the GHGRP are divided, with \$55 million from avoided operation and maintenance costs and \$247.7 million from avoided labor costs.² However, these costs reflect labor demand rather than employment need. In other words, firms are unlikely to fire workers who currently manage GHGRP requirements, as they may have other labor responsibilities. Therefore, the benefits to firms will not be direct savings in labor costs but the marginal difference between shifting existing employees from GHGRP-related work to other, potentially more productive activities. This contrasts with the introduction of new regulations that are more likely to necessitate the hiring of additional staff.

More importantly, the workers involved in facilitating GHGRP compliance are likely to continue pursuing these activities as other reporting and filing requirements for impacted firms exist. For example, the 1977 Department of Energy Organization Act empowers the Energy Information Administration (EIA) to collect data from firms.³ This data is essential for policymakers to make informed decisions related to energy security policy, and it is unlikely that these requirements will be repealed in the near future. Additionally, because a future administration may reimplement the GHGRP or a similar program, firms may be reluctant to fire employees if they foresee the need to rehire and retrain them.

Because firms are already required to submit similar information to the federal government, the likely retention of workers who currently fulfill GHGRP requirements mitigates potential labor savings.

Some private firms voluntarily report GHGRP information for business-related purposes. For example, many emission-intensive firms see value in demonstrating reductions in the emissions associated with their products, as their customers may value such comparisons. Some firms voluntarily disclose emission-related information as part of Security and Exchange Commission filings or other material

¹ 90 Fed. Reg. 44603 (Sept. 16, 2025). <https://www.govinfo.gov/content/pkg/FR-2025-09-16/pdf/2025-17923.pdf>; 74 Fed. Reg. 56363 (April 10, 2009). <https://www.federalregister.gov/d/E9-23315/p-1802>.

² Ibid.

³ U.S. Energy Information Administration, “Legislative Timeline,” U.S. Department of Energy, last accessed Oct. 24, 2025. https://www.eia.gov/about/legislative_timeline.php.

disclosures.⁴ Nongovernmental efforts, such as the Greenhouse Gas Protocol and Carbon Measures, have attempted to fulfill private-sector demand for emission-related information.^{5 6} If firms continue to provide this information voluntarily, then the economic benefits of repealing the GHGRP will decrease further.

GHGRP Repeal Introduces Risk of More Burdensome Programs Replacing It

One scenario policymakers should consider is that repealing the GHGRP could introduce additional risk to private sector firms, who might have to comply with even more burdensome programs.

For example, many of the firms impacted under the GHGRP engage in international energy trade. The European Union (EU) is in the process of implementing a Carbon Border Adjustment Mechanism (CBAM), which will ensure that imports from countries outside the EU's emission trading scheme (ETS) are treated the same as products produced within the ETS.⁷ Initially, the CBAM will apply only to cement, iron, steel, aluminum, fertilizers, electricity, and hydrogen; later phases will likely expand to other emission-intensive products.⁸ U.S. firms with emission-intensive products for export to Europe will have to measure and report GHGs to facilitate compliance with the EU's CBAM.

Beginning in 2027, EU importers of natural gas will need to comply with the same GHG reporting requirements as their domestic producers.⁹ However, there have been efforts to negotiate for the U.S.' GHGRP to satisfy conditions of equivalence for EU requirements.¹⁰ Reportedly, U.S. natural gas exporters to the EU are concerned that repealing the GHGRP will prevent them from securing equivalence determinations and force them into compliance with the more stringent EU requirements to maintain exports.¹¹

The value of GHG transparency for U.S. energy exporters is beyond theory. In 2020, the French government intervened in a business deal to force energy firm Engie to reject a contract to import liquefied natural gas (LNG) from the United States on the assertion that the U.S. product was more

⁴ Bill Holland, "More US independent oil, gas producers disclose greenhouse gas emissions: study," S&P Global, April 28, 2022. <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/energy-transition/042822-more-us-independent-oil-gas-producers-disclose-greenhouse-gas-emissions-study>.

⁵ Greenhouse Gas Protocol, "About Us," last accessed Oct. 24, 2025. <https://ghgprotocol.org/about-us>.

⁶ Carbon Measures, "About Us," last accessed Oct. 24, 2025. <https://www.carbonmeasures.org/about-us-3>.

⁷ Taxation and Customs Union, "Carbon Border Adjustment Mechanism," European Commission, last accessed Oct. 24, 2025. https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en.

⁸ Ibid.

⁹ Energy, Climate change, Environment, "Methane emissions," European Commission, last accessed Oct. 24, 2025. https://energy.ec.europa.eu/topics/carbon-management-and-fossil-fuels/methane-emissions_en.

¹⁰ Office of Fossil Energy and Carbon Management, "DOE and EPA Letter to European Commission Asking to Initiate Discussion on Regulatory Equivalence for Natural Gas," U.S. Department of Energy, Nov. 13, 2024. <https://www.energy.gov/fecm/articles/doe-and-epa-letter-european-commission-asking-initiate-discussion-regulatory>.

¹¹ Jean Chemnick, "EPA proposal puts US gas exporters in a bind," E&E News, Sept. 16, 2025. <https://www.eenews.net/articles/epa-proposal-puts-us-gas-exporters-in-a-bind>.

emission-intensive than competitors.¹² This decision was later reversed, owing to improvements in the emission profile of U.S. LNG exports.¹³

Generally, U.S. firms should be at an advantage in international carbon-priced markets due to the country's "carbon advantage" in producing comparatively fewer emission-intensive goods.¹⁴ However, repealing the GHGRP could create challenges for firms seeking to demonstrate these advantages to customers who must comply with foreign requirements like CBAM.

Additionally, the large private sector-driven demand for GHG reporting introduces potential risks to industry. Because many consumers of emission-intensive products are demanding more awareness of the emission intensity of production as well as enhanced disclosure of emissions, many firms might feel the need to replace their GHGRP obligations with a more stringent regime to satisfy customer demands.

Under the current system, the GHGRP—although not as stringent as competing reporting requirements—has the virtue of introducing standardized, comparable emission information in industry.¹⁵ As investors and customers concerned about the risk of future emission-limiting activities (such as from state-led low carbon fuel standards) may demand more disclosure of emissions, it is unlikely that any third-party led effort would be less stringent than the GHGRP.¹⁶

The repeal of federal reporting requirements could also lead to a Balkanization of reporting policies. California already has its own GHG reporting program, and other states may follow suit.¹⁷ The supremacy of a federal program could shield firms from the additional burden of having to comply with many disparate programs that may not have interchangeable reporting protocols. For this reason, the EPA should not ignore this risk to firms that currently comply with the GHGRP.

The EPA should consider how repealing the GHGRP could potentially undermine the objective of reducing reporting requirements by unintentionally creating preferences for more burdensome alternatives. This could come from foreign customers who must comply with their own reporting requirements or from climate-concerned customers seeking additional emission disclosure. For many impacted firms, retaining the existing GHGRP would likely be preferable.

¹² Sarah White and Scott Disavino, "France halts Engie's U.S. LNG deal amid trade, environment disputes," Reuters, Oct. 22, 2020. <https://www.reuters.com/business/france-halts-engies-us-lng-deal-amid-trade-environment-disputes-2020-10-22>.

¹³ TJ Conway et al., "Engie's US LNG Reversal: Emissions Cuts Helped Clinch the Deal, But Are They Legit?" Rocky Mountain Institute, May 23, 2022. <https://rmi.org/engies-us-lng-reversal>.

¹⁴ "Carbon Advantage," Climate Leadership Council, last accessed Oct. 30, 2025. <https://clcouncil.org/our-solutions/carbon-advantage>.

¹⁵ Ben Cahill, "Why the Oil Industry Needs the Greenhouse Gas Reporting Program," University of Texas at Austin, Center for Energy and Environmental Systems Analysis, July 9, 2025. <https://www.ceesa.utexas.edu/energy-pathways/why-the-oil-industry-needs-the-greenhouse-gas-reporting-program>.

¹⁶ California Air Resources Board, "Low Carbon Fuel Standard," California Environmental Protection Agency, last accessed Oct. 24, 2025. <https://ww2.arb.ca.gov/our-work/programs/low-carbon-fuel-standard>.

¹⁷ California Air Resources Board, "Mandatory Greenhouse Gas Emissions Reporting," California Environmental Protection Agency, last accessed Oct. 30, 2025. <https://ww2.arb.ca.gov/our-work/programs/mandatory-greenhouse-gas-emissions-reporting/about>.

Alternative Policies May Capture Most Benefit with Little Downside

The EPA should consider that alternative GHGRP reforms could capture the majority of benefits from repeal with little risk. One policy the EPA might consider is to raise the threshold for reporting requirements and to give parties with emissions below the required threshold the option to retain the program voluntarily.

When the GHGRP was implemented in 2009, various thresholds of triggering emission-reporting requirements were considered. The current 25,000 metric ton threshold was selected as the optimal balance of furnished information relative to reporting costs, covering 54 percent of downstream emissions at a reporting cost of \$0.03 per metric ton (in 2006 dollars).¹⁸ However, the EPA noted that a threshold of 100,000 metric tons would still cover 53 percent of downstream emissions at a cost of just \$0.02 per metric ton (in 2006 dollars) and would require 38 percent fewer facilities to report.¹⁹ Given that large firms are more likely to have other reporting obligations that mitigate the benefits of repeal, such modifications could broadly capture most of the potential benefits from repeal, which smaller firms would be more likely to receive.

Furthermore, the EPA should consider if alternative modifications to the GHGRP could reduce compliance costs—particularly labor costs. Because affected firms are likely to encounter other reporting requirements (e.g., through the EIA), there may be opportunities for standardization and simplification of the GHGRP.

Conclusion

Although the GHGRP introduces some costs to complying firms, its repeal could introduce new risks to those firms likely to be compelled into alternative GHG emission reporting schemas with potentially higher costs. We invite the EPA to consider modifications to the GHGRP, short of repeal, that could capture similar benefits while preserving the merits of the program.

The R Street Institute respectfully requests your consideration of the public input offered herein.

Respectfully submitted,

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¹⁸ 74 Fed. Reg. 56363 (April 10, 2009). <https://www.federalregister.gov/d/E9-23315/p-1802>.

¹⁹ Ibid.