

Dear friends,

Today, President Biden signed the Inflation Reduction Act of 2022, a bill passed last week by the U.S. Congress. We are writing today to share with you some of our thoughts on this new legislation and why our unrelenting efforts to protect the rights of children to a safe climate is more important than ever.

## The bottom line is that we must do far more, <u>today</u>, to address the climate crisis, and our courts must protect the rights of our children - NOW.

## What is the Inflation Reduction Act (IRA)?

The IRA bill is a massive \$740 billion piece of legislation, funded primarily through increased corporate income taxes, to address issues like the national deficit, tackling the rising costs of prescription drugs, and shoring up the Internal Revenue Service's enforcement capacity. It also provides Medicare with the ability to negotiate lower prescription drug prices and extends subsidies for people enrolled in Affordable Care Act health care plans.

This bill also seeks to address a few elements of the climate crisis, focusing especially on providing some specific incentives for green energy technology (like tax credits for individuals and businesses to utilize clean energy), funding for some disadvantaged communities most impacted by pollution, and applying fees and taxes on some fossil fuel emissions and imports.

## Why are some climate groups celebrating? Why are others angry?

The <u>consensus among climate organizations</u> is that, while there are some good elements written into this bill, **it isn't nearly enough to address U.S. emissions and ongoing fossil fuel production**, especially given that the scope and scale of many of the climate aspects of the IRA bill are either quite limited or tied to actions that actually make the crisis worse.

For example, there is a tax credit in the bill for individuals to buy electric vehicles but, simultaneously, <u>a stipulation</u> was attached to the bill which will

make it so that many people will not be able to utilize it, potentially for years, severely limiting its immediate impact and efficacy. And while energy models are forecasting that the bill could lead to fewer domestic U.S. emissions by 2030, the bill could also lead to more emissions from domestic extraction, emissions that are essentially exported to other countries, and which are not part of the accounting for our territorial emissions, but for which the U.S. is nonetheless responsible.

Of much greater concern is the reality that **it does not stop new development and extraction of fossil fuels from U.S. public lands nor the importation of dangerous fuels like tar sands oil**, critically necessary steps identified by climate scientists as the only way to arrest and reverse our deadly trajectory. For decades now, experts have been saying, "we must stop, we cannot build or extract more." **Yet this bill** *further bolsters* **the expansion of fossil fuel development** and companies like Exxon and organizations like the American Petroleum Institute (API) have praised the legislation for these provisions.

The IRA bill actually encourages new fossil fuel production on public lands in the United States, tying the development of solar and wind energy on public lands to requirements to hold oil and gas lease sales, even opening up new oil and gas production. The bill also requires the U.S. Department of the Interior to reinstate offshore oil and gas lease sales, mandating that the Interior Department hold at least three more offshore oil and gas lease sales by October 2023.

While this bill does apply taxation to imported petroleum products and crude oil, as well as increased royalties to be paid to the government by companies extracting oil and gas from U.S. public lands, **it still does not end - and in fact further encourages and facilitates - the extraction and import of deadly fossil fuels.** 

In summary, while many Americans are grateful to congressional allies who have fought to move climate legislation in the right direction, the reality is that time is running short to address this life-threatening crisis. In an accelerating emergency of this scale, small steps forward made slowly simply won't protect our children. Especially when each step forward is tied to multiple steps back in the wrong direction.

Yes, this bill looks like progress when viewed through the historical lens of Congress's failed attempts to do anything to reverse the crisis. But when viewed through the needs of our youngest generations' right to live and thrive free from the dangers their government's energy system has imposed, and continues to impose, on them, it doesn't come close. And we will continue to call on our courts to judge our government's conduct through the lens of our U.S. Constitution.

Why do we need a court to declare the constitutional rights of our youth? Our federal government must be held accountable to make laws and execute them in a manner that does not violate our children's rights to life and liberty, to their health and safety. Those rights are not up for a vote.

As Supreme Court Justice Kagan said just last year, "Isn't the point of a right that you don't have to ask Congress? Isn't the point of a right that it doesn't really matter what Congress thinks or what the majority of the American people think as to that right?"

We must take bold steps forward in the face of a deadly crisis. And we cannot take steps back.

We will stand up and protect the fundamental human and constitutional rights of our children, even when our politicians don't.

And we will not wait.

The only durable, lasting, science-based solution to the climate crisis is in our courts. A win for our children in their youth-led climate litigation securing a declaratory judgment that the U.S. fossil fuel-based energy system is unconstitutional - would hold all of our branches of federal government accountable for protecting the lives of children, aligning their legislative and executive actions with declared constitutional rights and wrongs, and adhering to what science says is necessary to end the climate crisis.

Together, the work to secure climate justice for our children continues,

The Team at Our Children's Trust