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## United States Senate

COMMITTEE ON THE BUDGET WASHINGTON, DC 20510–6100 Telephone: (202) 224–0642 CHARLES E. GRASSLEY, IOWA RANKING REPUBLICAN MIKE CRAPO, IDAHO LINDSEY O. GRAHAM, SOUTH CAROLINA RON JOHNSON, WISCONSIN MITT ROMRY, UTAH ROGER MARSHALL, KANSAS MIKE BRAUN, INDIANA JOHN KENNEDY, LOUISIANA RICK SCOTT, FLORIDA MIKE LEE, UTAH

April 8, 2024

The Honorable Sheldon Whitehouse Chairman U.S. Senate Committee on the Budget Washington, D.C.

Dear Chairman Whitehouse,

We write in response to your March 25, 2024, letter to Budget Committee Republicans.

Your accusations that anyone who does not share your faith in climate doomsday predictions is beholden to fossil fuel overlords or a climate change denier are out of line.

Your frustration with our complaints regarding the committee's climate change hearings would be understandable if such hearings were commensurate with the time spent on core committee responsibilities. After fifteen climate change hearings in a span of thirteen months, our request that the committee turn its attention to the nation's dire fiscal outlook is more than reasonable.

Our constituents deserve a Budget Committee that works diligently to find common ground on ways to put our nation on a sustainable fiscal path, rather than preening for the cameras.<sup>1</sup> It doesn't escape us that your letter immediately follows a hearing in which you invited a 23-year-old skier to testify about climate change, a topic on which you should have known he had no expertise.<sup>2</sup>

As we have said before, and will undoubtedly say again, it's time for this committee to turn its attention to the grim fiscal picture of our skyrocketing debt and deficits.

Publicly-held debt is projected to soar from 99 percent of total GDP this year to 166 percent by 2054.<sup>3</sup> Net interest costs have nearly doubled since President Biden took office, and they are expected to increase another 147 percent by 2034.<sup>4</sup> Starting this year, the cost of paying the interest due on our debts will surpass what we spend on national defense. By 2025, interest is expected to make up a larger share of U.S. GDP than any other year on record and an additional \$20 trillion will be added to our national debt over the next ten years.<sup>5</sup> It would be folly for this

<sup>&</sup>lt;sup>1</sup> Ted Nesi, "'No Work Being Done': Romney Slams Whitehouse over Leadership of Budget Panel," *WPRI.com*, March 14, 2024, <u>https://www.wpri.com/news/politics/no-work-being-done-romney-slams-whitehouse-over-leadership-of-budget-panel/</u>.

<sup>&</sup>lt;sup>2</sup> "Sen. Kennedy Torches Olympic Skier's 'Expert' Climate Change Testimony: The 'Kardashian-Ing of America,'" *Fox News*, March 26, 2024, <u>https://www.foxnews.com/media/sen-kennedy-torches-olympic-skiers-expert-climate-change-testimony-kardashianing-america</u>.

<sup>&</sup>lt;sup>3</sup> Congressional Budget Office, "The Long-Term Budget Outlook: 2024-2054," *CBO*, March 20, 2024, <u>https://www.cbo.gov/system/files/2024-03/59711-Long-Term-Outlook-2024.pdf</u>.

<sup>&</sup>lt;sup>4</sup> Congressional Budget Office, "The Budget and Economic Outlook: 2024 to 2034," *CBO*, February 7, 2024, <u>https://www.cbo.gov/publication/59710</u>.

committee not to focus attention on the immediate dangers that fall under the committee's prime responsibility, our fiscal house.<sup>6</sup>

Fiscal alarm bells continue to ring from CBO, in harmony with nonpartisan economic and financial experts from noteworthy institutions that Republicans have invited to testify before the committee. Surely, the Federal Reserve, Wharton School of the University of Pennsylvania, and your alma mater, the University of Virginia, are considered "serious" and "highly credible" institutions.<sup>7</sup> Even indisputably progressive economists are warning of the economic danger posed by our rapidly deteriorating fiscal situation.<sup>8</sup> It is not a question of if, but when and how badly our economy, children, and grandchildren will suffer. As we heard just two weeks ago from Dr. Joao Gomes from Wharton, the consequences of inaction "will be severe and leave lasting – probably irreversible – scars on our economy and society."<sup>9</sup>

We have the ability to – and must – reduce our spending and place our nation on a sustainable fiscal track. The construction of a sound budget provides an opportunity to accomplish this lofty goal.

After fifteen climate change hearings, we are fully aware of the testimony offered at these hearings. A seven page recap letter will not suddenly change our view that the Budget Committee should first and foremost focus on the budget. While other committees, such as the Environment and Public Works and Finance Committees, have primary jurisdiction over climate change policies, only the United States Senate Committee on the Budget is charged with drafting a budget.<sup>10</sup>

Moreover, commandeering the Budget Committee for a crusade that neglects the priority interests of members on the committee is no way to build consensus or find common ground to move forward legislative priorities.<sup>11 12</sup> Nor is accusing witnesses you disagree with of criminality and conspiracy or inviting witnesses to testify who have baselessly smeared

https://www.budget.senate.gov/imo/media/doc/drericleepertestimonysenatebudgetcommittee.pdf.

<sup>8</sup> Ben Ritz, "Ritz for Wall Street Journal: Why Democrats Should Care About the National Debt," *Progressive Policy Institute*, November 7, 2023, <u>https://www.progressivepolicy.org/pressrelease/ritz-for-wall-street-journal-why-</u> <u>democrats-should-care-about-the-national-debt/.</u>; Catherine Rampell, "As Interest Rates Rise, Our Wild Borrowing Might Finally Bite Back," *The Washington Post*, October 5, 2023,

https://www.washingtonpost.com/opinions/2023/10/05/interest-rate-rising-national-debt-consequences/.

<sup>9</sup> Joao Gomes, "The Impending Crisis: Assessing the Dangers of Excessive US Debt," March 20, 2024,

<sup>&</sup>lt;sup>6</sup> "Grassley on CBO 10-Year Budget and Economic Outlook | U.S. Senator Chuck Grassley of Iowa," *grassley.senate.gov*, February 7, 2024, <u>https://www.grassley.senate.gov/news/news-releases/grassley-on-cbo-10-year-budget-and-economic-outlook#:~:text=Debt%20will%20reach%20a%20new</u>.

<sup>&</sup>lt;sup>7</sup>Joao Gomes, "The Impending Crisis: Assessing the Dangers of Excessive US Debt," March 20, 2024, <u>https://www.budget.senate.gov/imo/media/doc/drjoaogomestestimonysenatebudgetcommittee.pdf</u>.; Eric Leeper, "Written Statement of Eric M. Leeper to the Committee on the Budget of the United States Senate Hearing on 'Investing in the Future: Safeguarding Municipal Bonds from Climate Risks," January 10, 2024,

https://www.budget.senate.gov/imo/media/doc/drjoaogomestestimonysenatebudgetcommittee.pdf.

<sup>&</sup>lt;sup>10</sup> "Committee History," U.S. Senate Committee on the Budget, <u>https://www.budget.senate.gov/about/committee-history</u>.

<sup>&</sup>lt;sup>11</sup> United States Senate Committee on the Budget "Who Pays the Price: The Real Cost of Fossil Fuels," May 3, 2024, <u>https://www.budget.senate.gov/hearings/who-pays-the-price-the-real-cost-of-fossil-fuels.</u>

<sup>&</sup>lt;sup>12</sup> United States Senate Committee on the Budget, "Left Holding the Bag: The Cost of Oil Dependence in a Low-Carbon World," March 29, 2023, <u>https://www.budget.senate.gov/hearings/left-holding-the-bag-the-cost-of-oil-dependence-in-a-low-carbon-world.</u>

Republican committee members with accusations of racism.<sup>13</sup> Ironically, the current tone and substance of these fifteen climate change hearings are moving us further from so-called "preventative action" and "a common path forward."

In the shadow of our last hearing, your letter attempts to affirm the credibility of the many climate change witnesses called by the majority – witnesses who lack scientific expertise, but attribute sensational costs to climate change using extreme climate change modeling. These witnesses intentionally assume a premise of destruction by incorporating the apocalyptic RCP 8.5 scenario of an ice free Arctic by 2040 into their models to raise alarm. This pivotal flaw has been consistently ignored by Democrat Senators and majority witnesses alike.<sup>14 15</sup> Many of these majority witnesses have financial connections to the Arabella dark money network, a matter conveniently ignored in your attempts to defame the character of expert Republican witnesses.<sup>16</sup> <sup>17</sup> Further, the list of climate change "expert" majority witnesses to whom the letter alludes fails to mention the questionable credentials of a film producer, consultant, luxury fishing guide, snow skier, and more.<sup>18 19 20 21</sup>

In the face of a barrage of unsubstantiated hyperbole, minority witnesses and Senators have met assertions of climate-driven economic destruction head on, dismantling shoddy economic analyses of climate change costs. Dr. Gomes recently revealed the "extremely poor" quality of economic analysis in the 2022 Deloitte Study you touted, noting that, "the writing is almost

<sup>&</sup>lt;sup>13</sup> Richard Painter, @RWPUSA, *Twitter* February 3, 2022,

https://x.com/RWPUSA/status/1489252178241884162?s=20.

<sup>&</sup>lt;sup>14</sup> Roger Pielke, "Statement of Dr. Roger Pielke Jr. to the Committee on the Budget of the United States Senate Hearing on Dollars and Degrees: Investigating Fossil Fuel Dark Money's Systemic Threats to Climate and the Federal Budget," June 21, 2023, <u>https://www.budget.senate.gov/imo/media/doc/Dr.%20Roger%20Pielke%20-</u> %20Testimony%20-%20Senate%20Budget%20Committee.pdf.

<sup>&</sup>lt;sup>15</sup> Roger Pielke, "Neither Desirable, nor Possible," *The Honest Broker*, October 18, 2023, <u>https://rogerpielkejr.substack.com/p/neither-desirable-nor-possible</u>.

<sup>&</sup>lt;sup>16</sup> Scott Walter, "Testimony before the U.S. Senate Budget Committee Hearing on 'Dollars and Degrees: Investigating Fossil Fuel Dark Money's Systemic Threats to Climate and the Federal Budget," June 21, 2023, <u>https://www.budget.senate.gov/imo/media/doc/Mr.%20Scott%20Walter%20-%20Testimony%20-</u> %20Senate%20Budget%20Committee.pdf.

<sup>&</sup>lt;sup>17</sup> Scott Walter, "Written Testimony before the U.S. Senate Budget Committee Hearing on 'Recreation at Risk: The Nature of Climate Costs," March 20, 2024,

https://www.budget.senate.gov/imo/media/doc/mrscottwaltertestimonysenatebudgetcommittee.pdf.

<sup>&</sup>lt;sup>18</sup> United States Senate Committee on the Budget, "Dollars and Degrees: Investigating Fossil Fuel Dark Money's Systemic Threats to Climate and the Federal Budget," June 21, 2023,

https://www.budget.senate.gov/hearings/dollars-and-degrees-investigating-fossil-fuel-dark-moneys-systemicthreats-to-climate-and-the-federal-budget.

<sup>&</sup>lt;sup>19</sup> United States Senate Committee on the Budget, "Risky Business: How Climate Change is Changing Insurance Markets," March 22, 2023, <u>https://www.budget.senate.gov/hearings/risky-business-how-climate-change-is-changing-insurance-markets.</u>

<sup>&</sup>lt;sup>20</sup> United States Senate Committee on the Budget, "Warming Seas, Cooling Economy: How the Climate Crisis Threatens Ocean Industries" January 24, 2024, <u>https://www.budget.senate.gov/hearings/warming-seas-cooling-economy-how-the-climate-crisis-threatens-ocean-industries.</u>

<sup>&</sup>lt;sup>21</sup> United States Senate Committee on the Budget, "Recreation at Risk: The Nature of Climate Costs," March 20, 2024, <u>https://www.budget.senate.gov/hearings/recreation-at-risk-the-nature-of-climate-costs.</u>

purposely confusing, failing to discuss key modeling assumptions."<sup>22 23</sup> In fifteen climate hearings, we have systematically debunked your hypothesis that the United States can fix a global problem by spending trillions of U.S. taxpayer dollars. The magnitude of this problem is also commonly disputed amongst scientific experts.

While the committee's first hearing titled "Climate-Related Economic Risks and Their Costs to the Federal Budget and the Global Economy" presented a worthy opportunity to discuss potential widespread budgetary impacts, we were unaware of the climate obsession and jurisdictional abdication that would follow. Our fifteenth climate hearing titled "Recreation at Risk: The Nature of Climate Costs" was so stale that you failed to secure the attention of a single Democrat committee member long enough to ask a single question of any witness on the panel. Of course, we clearly understand why other priorities would take precedence. Budget Committee Republican members have attempted to redirect the conversation back to issues and solutions within our Budget Committee jurisdiction.

We acknowledge the multiple bills introduced by Budget Committee Democrats listed in your letter, none of which have been referred to the Committee on the Budget or processed in their respective Democrat-controlled committees this Congress. None of these bills have been brought up for consideration by the Democrat Majority Leader. Not only does this reveal the nonexistent role of the Senate Budget Committee in legislating climate change policy, but the evident lack of popularity of these climate change proposals.

We remain interested in finding a path forward to right our nation's dire fiscal trajectory. Denying the problem, or wishing it away, or ignoring its systemic economic dangers just won't work.

Sincerely,

Chuck Analy

Charles E. Grassley Ranking Member Committee on Budget

Wike Cryso

Mike Crapo United States Senator

<sup>&</sup>lt;sup>22</sup> Pradeep Philip, Claire Ibrahim, Cedric Hodges, "The Turning Point A New Economic Climate in the United States," *Deloitte*, January 2022, <u>https://www2.deloitte.com/content/dam/Deloitte/us/Documents/about-deloitte/us-the-turning-point-a-new-economic-climate-in-the-united-states-january-2022.pdf.</u>

<sup>&</sup>lt;sup>23</sup> "Penn Wharton Hearing Witness: Dem Tax Proposals Won't Solve Our Fiscal Challenges," *grassley.senate.gov*, April 2, 2024, <u>https://www.grassley.senate.gov/news/news-releases/penn-wharton-hearing-witness-dem-tax-proposals-wont-solve-our-fiscal-challenges</u>.

Ron Johnson United States Senator

W. Mall

Roger Marshall, M.D. United States Senator

John Kennedy United States Senator

Mike Lee United States Senator

M.T. Romy

Mitt Romney United States Senator

Mike Brann

Mike Braun United States Senator

Rick Scott United States Senator