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IN THE UNITED STATES DISTRICT COURT
FOR EASTERN DISTRICT OF CALIFORNIA

EXXON MOBIL CORPORATION,

Plaintiff,

v.

LAUREN SANCHEZ, in her official capacity

Defendants.

Case No.: 2:25-CV-03104-DJC-JDP

PROPOSED AMICUS CURIAE STATE OF IOWA AND 20 OTHER STATES MOTION FOR LEAVE TO FILE AMICUS CURIAE BRIEF IN SUPPORT OF TEMPORARY RESTRAINING ORDER OR PRELIMINARY INJUNCTION, PROPOSED ORDER GRANTING LEAVE TO FILE AMICUS BRIEF, AND PROPOSED AMICUS BRIEF

Judge: Hon. Daniel J. Calabretta.
Date: December 18, 2025
Time: 1:30 p.m.
Place: Courtroom 7

Complaint filed: October 24, 2025

TO THE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE: that this Motion to for Leave to file an Amicus Curiae Brief in support of Plaintiff's requested preliminary injunctive relief and temporary restraining order.

Pursuant to this Motion, Proposed Amicus Curiae State of Iowa, joined by a coalition of 20

additional States ("Iowa"), by and through its undersigned counsel, will and hereby does respectfully move the Court to grant leave to file an amicus curiae brief for the following reasons:

- Iowa's Motion for Leave to File Amicus Brief is timely;
- Iowa has a significant interest in this litigation;
- Iowa's brief as a friend of the Court will present a helpful perspective to the Court; and
- Plaintiff consents and Defendants take no position on this request to file an *amicus curiae* brief related to this motion for temporary restraining order and preliminary injunction.

This Motion is based on this Notice of Motion, the Memorandum of Points and Authorities herein, all pleadings, records, and papers on file in this action, and such further evidence and argument as may be presented at the hearing.

DATED: November 18, 2025

By: /s/
Tony Francois
BRISCOE PROWS KAO IVESTER & BAZEL LLP

DATED: November 18, 2025

By: /s/ *Eric Wessan*
Eric Wessan
COUNSEL FOR PROPOSED AMICUS CURIAE, STATE OF IOWA
(Pro Hac Vice application to follow)

[PROPOSED] ORDER

GOOD CAUSE APPEARING, the State Of Iowa's Motion for Leave To File Amicus Brief is GRANTED.

BY: _____
DISTRICT JUDGE

TABLE OF CONTENTS

TABLE OF CONTENTS III

TABLE OF AUTHORITIES IV

STATEMENT OF THE ISSUE 1

STATEMENT OF AMICUS CURIAE 2

SUMMARY OF ARGUMENT 3

ARGUMENT 3

I. California's Climate Disclosure Law Compels Speech. 3

A. California's Laws Fail Heightened Scrutiny. 4

B. The *Zauderer* Exception Does Not Save The Laws. 6

II. If California Laws and Regulations Do Not Stay in California, Other States Will Suffer Irreparable Harm. 8

A. California's Laws Impose Irreparable Economic Harm on Other States. 8

B. California's Laws Impose Irreparable Sovereign Harm on Other States. 11

CONCLUSION 13

TABLE OF AUTHORITIES

Cases

303 Creative LLC v. Elenis,
600 U.S. 570 (2023) 18
Alfred L. Snapp & Son, Inc. v. Puerto Rico ex rel. Barez,
458 U.S. 592 (1982) 19
Am. Meat Inst. v. U.S. Dep't of Agric.,
760 F.3d 18 (D.C. Cir. 2014) 8, 9
Barr v. Am. Ass'n of Poli. Cons., Inc.,
591 U.S. 610 (2020) 7
BMW of N. Am., Inc. v. Gore,
517 U.S. 559 (1996) 20, 22
Cal. Chamber of Comm. v. Council for Educ. and Res. on Toxics,
29 F.4th 468 (9th Cir. 2022) 11
Central Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of N.Y.,
447 U.S. 557 (1980) 7
Elrod v. Burns,
427 U.S. 347 (1976) 15
Healy v. Beer Inst.,
491 U.S. 324 (1989) 20, 21
Hoptowit v. Ray,
682 F.2d 1237 (9th Cir. 1982) 1
Hurley v. Irish Am. Gay, Lesbian, and Bisexual Grp. of Bos.,
515 U.S. 557 (2008) 5, 10
Jamul Action Comm. v. Stevens,
2014 WL 3853148 (E.D.Cal. Aug.5, 2014) 2
Janus v. Am. Fed'n of St., Cnty., and Municipal Employees,
138 S. Ct. 2448 (2018) 12
Kimberly-Clark Corp. v. District of Columbia,
286 F. Supp. 3d 128 (D.D.C. 2017) 12
Maryland v. King,
567 U.S. 1301 (2012) 22
McClendon v. Long,
22 F.4th 1330 (11th Cir. 2022) 6
Milavetz, Gallop, & Milavetz, PA v. United States,
559 U.S. 229 (2010) 11
Nat'l Ass'n of Manfrs. v. SEC,
800 F.3d 518 (D.C. Cir. 2015) 12, 13, 14
Nat'l Inst. of Fam. Advocates v. Becerra,
585 U.S. 755 (2018) 6, 7, 8, 10, 11, 17, 18
Nat'l Pork Producers Council v. Ross,
598 U.S. 356 (2023) 21
Inc.,

140 S. Ct. 12
NGV Gaming, Ltd. v. Upstream Point Molate, LLC,
335 F.Supp., 2d 1016 (N.D.Cal.2005) 2
Ohio v. Envtl. Protec. Agency,
603 U.S. 279 (2024) 19
Reed v. Town of Gilbert,
576 U.S. 155 (2015) 6
Riley v. Nat'l Fed'n of the Blind of N.C.,
487 U.S. 781 (1988) 6
Roman Cath. Diocese of Brooklyn v. Cuomo,
592 U.S. 14 (2020) 15
Safari Club Intern. v. Harris,
2015 WL 1255491 (E.D. Cal. Jan. 14, 2015) 1, 2
Sandin v. Conner,
515 U.S. 472 (1995) 1
Simon & Schuster, Inc. v. Members of N.Y. State Crime Victims Bd.,
502 U.S. 105, (1991) 13
Stuart v. Camnitz,
774 F.3d 238 (4th Cir. 2014) 6
Tax Bd. of California v. Hyatt,
587 U.S. 230 (2019) 20
Thunder Basin Coal Co. v. Reich,
510 U.S. 200 (1994) 17
Wooley v. Maynard,
430 U.S. 705 (1977) 13
X Corp. v. Bonta,
116 F.4th 888 (9th Cir. 2024) 14
Zauderer v. Office of Disciplinary Counsel of the Supreme Court of Ohio,
471 U.S. 626 (1985) 10, 11, 14

Other Authorities

SB 253 ..... 1, 3, 4, 8, 9, 11, 15, 16, 18, 19, 21
SB 261 ..... 1, 3, 4, 5, 15, 16, 18, 19

STATEMENT OF THE ISSUE

This matter concerns California's attempt to become the nation's security regulator—a role occupied by the Securities and Exchange Commission—and to impose burdensome requirements relating to nonmaterial financial disclosures on companies across the country. *See* California SB 253; California SB 261. The Chamber of Commerce of the United States sued over the same Laws but the Ninth Circuit has declined to rule on the Laws' constitutionality before their effective date, January 1, 2026. *See Chamber of Commerce v. Sanchez*, Case No. 25-5327, Order, Dkt. 28 (Oct. 23, 2025) (denying preliminary relief and setting argument for January 9, 2026). Plaintiff and proposed *amici curiae* will be irreparably harmed should California's law be permitted to go into effect.

The Eastern District of California has recognized that the "district court has broad discretion to appoint amici curiae." *Safari Club Intern. v. Harris*, 2015 WL 1255491 (E.D. Cal. Jan. 14, 2015) (quoting *Hoptowit v. Ray*, 682 F.2d 1237, 1260 (9th Cir. 1982), *abrogated on other grounds by Sandin v. Conner*, 515 U.S. 472 (1995)). Indeed, "District courts frequently welcome amicus briefs from nonparties concerning legal issues that have potential ramifications beyond the parties directly involved or if the amicus has 'unique information or perspective that can help the court beyond the help that the lawyers for the parties are able to provide.'" *Id.* (quoting *NGV Gaming, Ltd. v. Upstream Point Molate, LLC*, 335 F. Supp. 2d 1016, 1067 (N.D.Cal.2005)). Judges in this Court recognize that "[e]ven when a party is very well represented, an amicus may provide important assistance to the court." *Jamul Action Comm. v. Stevens*, 2014 WL 3853148, at *5 (E.D. Cal. Aug.5, 2014) (quotation omitted).

Here, the States present a unique viewpoint and offer a short explanation for why the preliminary relief should be granted. The States move to file an *amicus curiae* brief, through this timely motion, because many States and their economies will be substantially affected if these Laws are permitted to be enforced. The States move to play the classic role of friend of the Court to raise awareness of the potential implications of a ruling here.

STATEMENT OF AMICUS CURIAE

California is trying to be the national regulator of American greenhouse gas emissions—but for many reasons it may not do so. *See* SB 253; SB 261. California's laws will require companies to figure out how much greenhouse gas emissions they produce or, more ephemerally, are responsible for. And companies that fail to do so face steep penalties. California attempts to impose this requirement on companies that even touch California.

When the United States Securities and Exchange Commission attempted to do the same, 25 States sued the SEC to stop its attempt to impose an illegal greenhouse gas disclosure policy on publicly traded companies. *See Iowa v. SEC*, No. 24-1522 (8th Cir.).

But what the SEC has voluntarily stayed during the pending litigation, California now attempts to impose. California's SB 253 and SB 261 impose sweeping, stand-alone reporting mandates on companies that require expressing a certain viewpoint on the highly controversial issue area of climate change.

California's laws are intended to "embarras[s]" companies that do *any* qualifying business in California—even if the companies do barely any business in the State. *See* 8-ER-1985, -2012.

SB 261 requires any company with more than $500 million in revenue anywhere, and any California business, to disclose California's preferred climate narrative. 8-ER-1826, -1883, 1846–51. And those companies must, even if they believe such doomsday scenarios are unlikely, explain in "specific and complete" detail their plans to respond to those scenarios. 8-ER-1839.

SB 253 embraces the SEC's illegal greenhouse gas disclosure scheme and goes even further. Like the discredited SEC rule, California mandates that companies must report emissions from the sources the company controls ("Scope 1") and indirect emissions from purchased energy ("Scope 2"). SB 253 § 2(b). SB 253 then goes further by including emissions that result from up and down the value chain: including from suppliers, contracts, and customers ("Scope 3"). And the law applies to any company with more than $1 billion in annual revenue that "does business in California." That imposition may have started as California green dreaming but will end with imposing nightmarish compliance costs and liability on companies across the country.

The undersigned 21 States, represented by their Attorneys General, strongly oppose California's radical green speech mandate that it seeks to impose on companies. And the States

recognize the irreparable harm that will follow if the Laws are permitted to go into effect on January 1, 2026.

That is why these States support Plaintiff's request for emergency preliminary relief. While Plaintiff's emergency relief only seeks to enjoin enforcement of SB 261, for context this amicus brief also addresses some of the deficiencies in SB 253, the other law central to the complaint. California's attempt to regulate companies in Iowa and across the country will create harm across the country. This Court should grant Plaintiff's sought-after preliminary relief.

SUMMARY OF ARGUMENT

1. California admits that SB 253 and SB 261 "compe[l] speech" relating to what this Court has recognized is the highly controversial area of climate change. 3-ER-388. That compelled speech is subject to heightened scrutiny. Regardless of the level of heightened scrutiny, California's Laws are not narrowly tailored enough to meet California's stated interest. For that reason, California's greenhouse gas disclosure laws fail constitutional scrutiny.

2. California's Laws impose irreparable economic and sovereign harms on *Amici* States. California's burdensome Laws are not restrained to those companies at home in or domiciled in California. Instead, they affect major companies and industries at home in other States. Without relief, those companies in other States will face the large economic consequences that accompany failing to comply. *Amici* States also each have their own regulations and requirements to operate companies in their States. California's conflicting obligations risk undermining those States' sovereign interests.

ARGUMENT

I. California's Climate Disclosure Law Compels Speech.

If the First Amendment means anything, it is that California may not compel speech, including "statements of fact the speaker would rather avoid." *Hurley v. Irish Am. Gay, Lesbian, and Bisexual Grp. of Bos.*, 515 U.S. 557, 573 (2008). California's Climate Laws is doubly offensive to that constitutional command: it not only compels speech but also forces companies to enter a public conversation on one of the nation's most contentious public topics—climate change. That First Amendment violation inflicts constitutional injury on thousands of companies and associations that operate as citizens of the States.

A. California's Laws Fail Heightened Scrutiny.

Strict scrutiny applies to California's Laws—a standard that the State does not even attempt to meet.

California's Laws force thousands of companies to publish content prescribed by the State. And this Court has repeatedly held that governmental disclosure requirements compelling speech are "presumptively unconstitutional." *See, e.g.*, *Nat'l Inst. of Fam. Advocates v. Becerra*, 585 U.S. 755, 760, 766 (2018) ("*NIFLA*"); *Riley v. Nat'l Fed'n of the Blind of N.C.*, 487 U.S. 781, 795 (1988). That makes sense. "A regulation compelling speech is by its very nature content-based, because it requires the speaker to change the content of his speech or even to say something where he would otherwise be silent." *Stuart v. Camnitz*, 774 F.3d 238, 246 (4th Cir. 2014). And when a policy "imposes a content-based burden on speech," it "is subject to strict-scrutiny review." *McClendon v. Long*, 22 F.4th 1330, 1337–38 (11th Cir. 2022) (cleaned up).

That's true for the "governmental regulation of securities," which necessarily "involve[s] content discrimination." *Reed v. Town of Gilbert*, 576 U.S. 155, 177 (2015) (Breyer, J., concurring in the judgment); *see also Barr v. Am. Ass'n of Poli. Cons., Inc.*, 591 U.S. 610, 642 (2020) (Breyer, J., concurring in part) ("[T]he regulatory spheres in which the Securities and Exchange Commission . . . operate[s] [are] defined by content."). Unlike an informed consent law, for example, corporate and securities regulations like these aren't merely ancillary to properly regulated *conduct*. *NIFLA*, 585 U.S. at 770. And California's forced viewpoint is inherent in its Laws. California is not compelling neutral disclosures but forcing companies to adopt the State's framing of climate risk and emissions. Thus, the Laws are subject to strict scrutiny.

And California does not even try to prove that its Laws survive strict scrutiny. It has not presented evidence of a compelling interest that it would effectively require government interference with free speech. Nor can it show the Laws are narrowly tailored—the Laws apply to large companies regardless of whether those companies are engaged in any sort of climate-relate industry. There are many obvious and narrower alternatives, including requirements focused on material risks, encouraging voluntary disclosures, or targeted enforcement efforts in cases of actual fraud or misrepresentation (such as "greenwashing" efforts). California did none of that. The Laws fail strict scrutiny.

Even viewing the Laws as a regulation of commercial speech, as the district court did, the Laws still must satisfy intermediate scrutiny by directly advancing a substantial government interest by means that are not more restrictive than necessary. *Central Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of N.Y.*, 447 U.S. 557, 564, 570 (1980). The Laws fail even *Central Hudson*'s forgiving standard.

Begin with California's assertable substantial interests that must justify compelling highly controversial political speech. *See NIFLA*, 585 U.S. at 763 (defining interest through statutory purpose). In the context of business-related risk, disclosures may serve that goal when they prevent fraud, or further the one goal common to all investors—"profit maximalization." Roberta Romano, *Metapolitics and Corporate Law Reform*, 36 Stan. L. Rev. 923, 961 (1984).

The Laws fail do not directly advance a substantial governmental interest. California has not substantiated *any* causal link between corporate policies related to climate-related risks and its recognized, statutory interests in fraud prevention or increased investment return. If anything, the Laws leave investors in a worse position by increasing business compliance costs that will be ultimately passed on to shareholders without an offsetting benefit. *See, e.g.*, Sean J. Griffith, *What's "Controversial" About ESG? A Theory of Compelled Commercial Speech Under the First Amendment*, 101 Neb. L. Rev. 876, 930 n.281 (2023) (collecting sources); Benjamin Zycher, *Other People's Money: ESG Investing and the Conflicts of the Consultant Class*, Am. Enter. Inst. (Dec. 17, 2018) ("ESG investment choices substitute an amorphous range of political goals in place of maximizing the funds' economic value.").

While California alleges an interest in "demonstrat[ing] its leadership in the battle against climate change," SB 253 § 1(a), "it is plainly not enough for the Government to say simply that it has a substantial interest in giving consumers information." *Am. Meat Inst. v. U.S. Dep't of Agric.*, 760 F.3d 18, 31 (D.C. Cir. 2014) (Kavanaugh, J., concurring in the judgment). Even if that interest sufficed, the Laws do not further it. California compels copious disclosures based on conjecture about prospective climate impacts including "the existential threat of climate change." SB 253 § 1(j). California's justification of the law—"people communities, and other stakeholders in California [are] facing the existential threat of climate change—is overly broad to support the narrow tailoring required to meet strict scrutiny here. *Id.*

The Laws also are not the least restrictive means of achieving their purported objectives. It is far more restrictive than necessary because preexisting federal regulations already require publicly listed companies to disclose material information affecting company valuation. *See, e.g.*, 17 C.F.R. §§ 229.101(c)(2)(i), 229.105(a), 229.303(a). Those companies already must disclose material climate-related disclosures. *See* 75 Fed. Reg. 6290 (Feb. 8, 2010). And nowhere in California's Laws did California explain why available alternatives, such as SEC and Environmental Protection Agency regulations, are insufficient to achieve the ends California seeks. *See*, *e.g.*, *Greenhouse Gas Reporting Rule: Revisions and Confidentiality Determinations for Petroleum and Natural Gas Systems*, 89 Fed. Reg. 42,218 (May 14, 2024). And California's Laws fail to account for voluntary disclosures—which would effectively be compelled by the market if such disclosures were necessary. Instead, California embraces a goal of "mov[ing] towards a net-zero carbon economy"—a goal that many States, Americans, and companies see as fundamentally irreconcilable with their way of life. *See* SB 253 § 1(l).The Laws thus unconstitutionally compel speech.

B. The *Zauderer* Exception Does Not Save The Laws.

California's retreat to the exception recognized in *Zauderer v. Office of Disciplinary Counsel of the Supreme Court of Ohio*, 471 U.S. 626 (1985), cannot cure the Laws' flaws. That case recognized a narrow situation where lower scrutiny could apply to compelled commercial speech. *Id*. at 651. Its exception applies solely to regulations of commercial *advertising*—and then only when the government requires disclosure of "purely factual and uncontroversial information about the terms under which . . . services will be available." *Id*. at 650–51.

Though often invoked to bless compelled speech regimes, this Court has repeatedly refused to extend *Zauderer* beyond its facts. *NIFLA*, 585 U.S. at 768–769; *Hurley*, 515 U.S. at 573; *see also Milavetz, Gallop, & Milavetz, PA v. United States*, 559 U.S. 229, 256 (2010) (Thomas, J., concurring) (suggesting willingness to reconsider *Zauderer*). For *Zauderer*'s narrow exception to apply, California's Laws must require information that is (1) "purely factual," (2) "uncontroversial," and (3) "about the terms under which" public companies offer their myriad services or products. 471 U.S. at 650–51. The Laws must meet each requirement. *See NIFLA*, 585 U.S. at 768–769. But the Laws fail on all three counts.

First, the Laws compel speculative environmental-impact assessments, not objective facts.

For example, the Laws require that companies perform subjective individualized estimates of "Scope 3 emissions" which includes "indirect upstream and downstream greenhouse gas emissions . . . from sources the reporting entity *does not own or directly control*." SB 253 § 2(b)(5). Such "potential" projections are not "purely factual." *See, e.g.*, *Cal. Chamber of Comm. v. Council for Educ. and Res. on Toxics*, 29 F.4th 468, 478–79 (9th Cir. 2022) (food labeling warning not "factual" because there was scientific debate on the issue); *Nat'l Ass'n of Manfrs. v. SEC*, 800 F.3d 518, 529–30 (D.C. Cir. 2015) ("*NAM II*") (providing statutory definitions for disclosure terms does not render disclosure "factual and non-ideological").

Second, the Laws compel speech on a highly controversial issue. A "disclosure is 'controversial' if it is inflammatory," suggests a moral judgment, "expresses a matter of opinion," or "there is disagreement with the truth of the facts required to be disclosed." *Kimberly-Clark Corp. v. District of Columbia*, 286 F. Supp. 3d 128, 140–41 (D.D.C. 2017) (quotations omitted). And this Court has already acknowledged that climate change is a "controversial," *Janus v. Am. Fed'n of St., Cnty., and Municipal Employees*, 138 S. Ct. 2448, 2476 (2018), "contentious subject" that has "staked a place at the very center of this Nation's public discourse." *Nat'l Rev., Inc. v. Mann*, 589 U.S. 1088, 1091 (2019) (Alito, J., dissenting from denial of certiorari). Thus, the Laws fall within that ambit by compelling disclosures based on disputed assumptions about climate change. This Court need not break any new ground broadening the scope of the controversial topic it has already recognized.

Third, the Laws do not seek to shape voluntary commercial advertisements but require companies to confess one viewpoint on climate-change issues. *See Wooley v. Maynard*, 430 U.S. 705, 715 (1977) (California may not force companies to "be an instrument for fostering public adherence to an ideological point of view."). The Laws embody assumptions about the nature, causes, and solutions to climate change—issues hotly debated within the scientific community and the public more broadly. *See* Griffith, *supra* at 928–30 & nn.272–79 (collecting sources). California cannot remedy that constitutional violation by cloaking its disclosure requirements in factual or commercial definitions. By forcing companies to assume that disclosed information is material, the laws "raise[] the specter that the government may effectively drive certain ideas or viewpoints from the marketplace"—namely, the climate change is no immediate threat to business interests, and that

those emitting carbon are not culpable actors. *Simon & Schuster, Inc. v. Members of N.Y. State Crime Victims Bd.*, 502 U.S. 105, 116, (1991).

To confirm how those principles apply here, this Court need look no further than when the judiciary rejected a similar attempt by SEC to compel speech in the guise of disclosures. SEC's conflict-minerals disclosure rule had required companies to state whether products were "conflict free." *NAM II*, 800 F.3d at 529–30. Even though Congress expressly authorized that disclosure obligation, the D.C. Circuit concluded that it fell outside the *Zauderer* exception because that regulation did not regulate "voluntary commercial advertising." *Id*. at 523 & n.12.

The same analysis dooms the constitutionality of California's Laws. *NAM II* found SEC's rule infringed the First Amendment because it carried ideological weight (*e.g.*, responsibility for atrocities in Congo) and compelled some issuers to "confess" to social responsibility. *Id.* at 530. Given that precedent, California's Laws here are exactly the "unjustified or unduly burdensome disclosure requirements" that *Zauderer* itself recognized might offend the First Amendment. *Zauderer*, 471 U.S. at 651.

II. If California Laws and Regulations Do Not Stay in California, Other States Will Suffer Irreparable Harm.

A. California's Laws Impose Irreparable Economic Harm on Other States.

Enforcing California's Laws pending resolution of the underlying lawsuit inflicts irreparable harm on non-California states and their economies, warranting a preliminary injunction over longstanding Ninth Circuit precedent. *X Corp. v. Bonta*, 116 F.4th 888, 897 (9th Cir. 2024)

The harm manifests in unrecoverable economic burdens, distorted markets, and chilled investment in key industries, all stemming from California's extraterritorial compulsion of speculative, viewpoint-laden climate disclosures. Unlike routine regulatory compliance, these laws force thousands of out-of-state businesses to incur millions in auditing and reporting costs for emissions and risks that extend far beyond California's borders, with no adequate remedy at law if enforcement proceeds. *California's Climate Disclosure Rules: A Guide for Companies*, Watershed, https://perma.cc/NWQ5-EB5C (last visited Oct. 30, 2025).

As this Court has long recognized, "the loss of First Amendment freedoms, for even minimal

periods of time, unquestionably constitutes irreparable injury." *Elrod v. Burns*, 427 U.S. 347, 373 (1976) (plurality op.); *see also Roman Cath. Diocese of Brooklyn v. Cuomo*, 592 U.S. 14, 19 (2020) (per curiam). Here, the compelled speech at issue—requiring companies to disclose Scope 3 emissions under SB 253 and opine on "climate-related financial risks" under SB 261—imposes immediate, non-compensable harms that ripple into States, where energy, agriculture, and manufacturing sectors form the economic backbone.

First, the direct economic costs of compliance are staggering and irretrievable. SB 253 mandates that companies with over $1 billion in global revenue "doing business" in California disclose comprehensive greenhouse gas emissions, including Scope 1 and 2 by June 30, 2026, and Scope 3 by 2027, with third-party assurance requirements escalating costs. *See* SB 253 § 2(c).

SB 261 similarly requires biennial reports on climate risks for firms with $500 million in revenue, starting January 1, 2026. Estimates peg these obligations will cost billions nationwide, with individual companies facing hundreds of thousands to millions in annual expenses for data collection, auditing, and legal review—costs that cannot be recovered through damages if the laws are later invalidated. SB 261 § 2(a)(4).

For non-California businesses, that translates to diverted resources from productive investments. In Iowa, for example, agricultural giants like John Deere or Cargill, which operate supply chains tied to fossil fuels and global logistics, must track indirect emissions from farms and transport networks unrelated to California operations, imposing unnecessary financial strain.

Energy firms face amplified burdens as Scope 3 disclosures could require accounting for downstream consumer emissions, potentially costing the industry tens of millions while stigmatizing oil and gas activities vital to the state's $2 trillion economy. *See* Chandni Shah, *Exxon Sues California over Climate Disclosure Laws*, Reuters (Oct. 25, 2025), https://perma.cc/4XUM-5EY7/ (last visited Nov. 11, 2025). Beyond that, California risks imposing these burdens on the trillions of dollars in States that have vital energy industries and are not trying to impose on those industries massive costs. Indeed, Scope 3 disclosures were so problematic that the SEC dropped them from its own failed effort at required emissions disclosures. *See* Lamar Johnson, *SEC Drops Scope 3 From Final Climate Rule, Takes Phased Approach to Scope 1 and 2 Reporting*, ESG Dive (Mar. 6, 2025),

https://perma.cc/FE2F-E2J6 (last visited Nov. 11, 2025).

Those expenditures are not mere compliance costs compensable later; they represent sunk investments in speculative reporting that, if unconstitutional, cause permanent economic loss. *See Thunder Basin Coal Co. v. Reich*, 510 U.S. 200, 220–21 (1994) (Scalia, J., concurring) (recognizing that "complying with a regulation later held invalid almost *always* produces the irreparable harm of nonrecoverable compliance costs").

Second, enforcement will distort interstate markets and chill investment in *Amici* States' core industries, creating irreparable competitive disadvantages. By compelling disclosures that label climate change as an existential risk and force companies to quantify indirect emissions, California effectively exports its environmental ideology, deterring capital flows to sectors like fossil fuels, agriculture, and manufacturing prevalent in Republican-led states. *Cf. NIFLA*, 585 U.S. at 780 (Kennedy, J., concurring) (recognizing the California Legislature's attempts to unconstitutionally mandate "forward thinking").

For example, investors may shy away from oil producers or steel manufacturers if mandated reports highlight so-called climate vulnerabilities, leading to reduced stock values, higher borrowing costs, and job losses—harms that persist even if the laws are later enjoined as unenforceable. *See Thunder Basin*, 510 U.S. at 220–21 (Scalia, J., concurring). That chilling effect mirrors the irreparable injury recognized in compelled speech cases, where government mandates alter private expression and market behavior. *See NIFLA*, 585 U.S. at 776; *303 Creative LLC v. Elenis*, 600 U.S. 570, 596 (2023) ("Here, Colorado does not seek to impose an incidental burden on speech. It seeks to force an individual to utter what is not in her mind about a question of political and religious significance. And that, *FAIR* reaffirmed, is something the First Amendment does not tolerate.") (cleaned up).

Third, the threat of penalties exacerbates this harm, forcing immediate action despite ongoing litigation. Non-compliance under SB 253 carries fines up to $500,000 annually, and SB 261 up to $50,000, incentivizing premature spending on systems that may prove unnecessary. *See* SB 253 § 2(f)(2); SB 261 § 2(e)(2).

While the California Air Resources Board has delayed final regulations, it has affirmed

looming deadlines, heightening uncertainty and costs for out-of-state entities.

Courts routinely find such preemptive burdens irreparable in preliminary injunction proceedings. *See*, *e.g.*, *Ohio v. Envtl. Protec. Agency*, 603 U.S. 279, 292 (2024). Absent an injunction, these harms accrue imminently, tipping the equities decisively against California, which faces no comparable injury from delayed enforcement while the merits are litigated.

B. California's Laws Impose Irreparable Sovereign Harm on Other States.

California's SB 253 and SB 261 also inflict sovereign injury on non-California states, undermining federalism by allowing one state to dictate national policy through extraterritorial regulation, thus justifying a temporary restraining order to preserve the constitutional balance. Sovereign injury occurs when a state's actions impair another's ability to govern within its borders, as recognized in *parens patriae* standing doctrine. *See Alfred L. Snapp & Son, Inc. v. Puerto Rico ex rel. Barez*, 458 U.S. 592, 607 (1982).

Here, California's Laws apply to any U.S. or foreign company meeting revenue thresholds and vaguely "doing business" in California. They extend regulatory tentacles nationwide, conflicting with other States' policies and eroding their autonomy over environmental, economic, and speech regulations.

Primarily, these laws injure sovereign interests by improperly supplanting States' tailored regulatory frameworks. Many States have rejected mandatory climate disclosures, choosing pro-growth policies that prioritize energy independence and agricultural innovation without compelled ideological speech.

Yet California's mandates force companies in those States to comply with California's viewpoint, requiring disclosures that endorse climate alarmism and potentially conflict with local laws, like Texas's prohibitions on ESG-based investment boycotts. *See*, *e.g.*, Tex. Gov't Code §§ 809.001–.102. California risks creating a patchwork of obligations, balkanizing national markets and impairing States' ability to attract business. This Court has recognized presumptions against extraterritoriality in state law exist precisely to prevent such favoritism toward one state's citizens over others. *See Fran. Tax Bd. of California v. Hyatt*, 587 U.S. 230, 246 (2019); *Healy v. Beer Inst.*, 491 U.S. 324, 336–37 (1989); *BMW of N. Am., Inc. v. Gore*, 517 U.S. 559, 571–72 (1996).

Indeed, "[i]nterstate sovereign immunity is [] integral to the structure of the Constitution."

Hyatt, 587 U.S. at 246. Thus one state cannot unilaterally subject another to its jurisdiction without consent—a principle extending to regulatory impositions that harm quasi-sovereign interests. *Id.* Enforcement here nullifies *Amici* States' choices, as businesses restructure to comply with California's Laws, diverting economic activity and tax revenues away from States with differing priorities. It also invites corporate balkanization, as each State could adopt California's strategy to force companies to issue extensive disclosures on matters of special concern to each. And this Court has recently reaffirmed that the Constitution's structure limits "the reach of one State's power." *Nat'l Pork Producers Council v. Ross*, 598 U.S. 356, 376 (2023)

Indeed, California Laws' vagueness amplifies sovereign harm by inviting arbitrary enforcement that disproportionately burdens out-of-state entities. Terms like "doing business" in California remain undefined in final regulations, potentially ensnaring companies with minimal ties, including sales or suppliers, and forcing them into California's regulatory orbit. SB 253 § 1(j). Will a company be covered if it ships a product to the State? If it maintains a website that's accessible from the State? If it answers a phone call from a California consumer? Companies are left to guess.

That extraordinarily extraterritorial reach mirrors invalidated schemes where States tried to regulate beyond borders, injuring others' sovereignty. *See Healy*, 491 U.S. at 336–37 (enjoining enforcement of price-affirmation laws for controlling out-of-state commerce); *Nat'l Pork Prods.*, 598 U.S. at 376. *Amici* States suffer direct injury: reduced policy efficacy, as firms prioritize California compliance over local incentives, and eroded authority, as California's Laws implicitly criticize other states' approaches to climate and speech. And similar injuries against extraterritorial regulations, emphasizing federalism's role in constraining "one State's power to impose burdens" have been found to unduly burden the interests of other States. *BMW of N. Am., Inc.* 517 U.S. at 571–72.

Finally, without a temporary restraining order, this injury becomes irreparable, as ongoing enforcement entrenches California's dominance, making reversing course harder. Courts presume sovereign harm in such cases, granting relief to maintain the status quo. *See Maryland v. King*, 567 U.S. 1301, 1304 (2012) (Roberts, C.J., in chambers) (staying law to avoid irreparable sovereign injury). Plaintiff's sought after temporary injunctive relief here protects *Amici* States' autonomy, ensuring uniform resolution without premature subjugation to one State's agenda.

CONCLUSION

This Court should grant Plaintiff's application for interim relief, whether in the form of a temporary restraining order or a preliminary injunction.

DATED: November 18, 2025

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