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Media Inquiries: Ruslan Moldovanov, 202-869-5237

NCLA Wins Order Blocking Dep't of Energy's Unlawful Demand for Cryptocurrency Mining Data

Texas Blockchain Council and Riot Platforms, Inc. v. Dept. of Energy, Office of Management and Budget, and Energy Information Administration, Secretary Jennifer Granholm, Administrator Joseph DeCarolis, et al.

Washington, DC (**February 23, 2024**) – Today, the U.S. District Court for the Western District of Texas <u>granted</u> a Temporary Restraining Order (TRO) in the New Civil Liberties Alliance's new *Texas Blockchain Council v*. *Dept. of Energy* lawsuit. The 14-day TRO blocks DOE and the Energy Information Administration (EIA) from forcing cryptocurrency mining companies to hand over sensitive information about their electricity consumption through a mandatory Cryptocurrency Mining Facilities Survey. The Office of Management and Budget (OMB) had given EIA emergency permission to collect this data, despite EIA's failure to demonstrate that short-cutting the statutory process would prevent public harm, as federal law requires. On behalf of its clients, the Texas Blockchain Council and Riot Platforms, Inc., NCLA celebrates the Court's Order and looks forward to derailing DOE's unlawful data collection effort once and for all.

EIA's survey had been set to go into effect today. After a Court hearing this afternoon, the Defendants declared in legally nonbinding fashion that they would not enforce the survey until March 25 and would remove it from the OMB website. But they failed to agree with the Plaintiffs on an order ensuring these promises would be kept. Absent such an agreement, the Court issued a TRO to maintain the pre-enforcement status quo, noting that NCLA had shown the survey would irreparably harm the Texas Blockchain Council and Riot Platforms otherwise. The government estimated that the survey would take companies only 30 minutes to complete, an estimate the Court's order called "extremely inaccurate, if not grossly misleading." The Court also scheduled a February 28 hearing to consider a preliminary injunction against EIA's survey and the Defendants' unlawful actions.

OMB approved EIA's slapdash emergency request to launch the Cryptocurrency Mining Facilities Survey just two days after receiving it. In doing so, both agencies violated the Paperwork Reduction Act and its implementing regulations. OMB and EIA's arbitrary and capricious actions in this process also ran afoul of the Administrative Procedure Act. The Court order held that NCLA's clients were likely to succeed on the merits of these claims.

In demanding these companies' data, EIA appears to be responding to political pressure rather than a genuine "emergency" implicating public harm. But the Paperwork Reduction Act allows emergency exceptions only in limited circumstances—not including political pressure. So, EIA's unlawful scheme must be set aside for good.

NCLA released the following statements:

"We are grateful for the Court's thoughtful consideration in granting the TRO. Our clients, and miners around the country who received the survey, have been spared the impossible and unnecessary choice between responding to the government's invasive and unlawful inquiries or risking criminal and civil prosecution. We look forward to continuing the fight on behalf of our clients."

- Kara Rollins, Litigation Counsel, NCLA

"We're gratified the Court has temporarily paused the Administration's latest slapdash effort to circumvent statutory limitations on its ability to bury private industry with burdensome and invasive paperwork demands. We look forward to convincing the Court to put a permanent end to this misbegotten scheme."

- Russ Ryan, Senior Litigation Counsel, NCLA

For more information visit the case page <u>here</u>.

ABOUT NCLA

<u>NCLA</u> is a nonpartisan, nonprofit civil rights group founded by prominent legal scholar <u>Philip Hamburger</u> to protect constitutional freedoms from violations by the Administrative State. NCLA's public-interest litigation and other pro bono advocacy strive to tame the unlawful power of state and federal agencies and to foster a new civil liberties movement that will help restore Americans' fundamental rights.

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