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Via CM/ECF

Deborah S. Hunt, Clerk of Court
U.S. Court of Appeals for the Sixth Circuit
540 Potter Stewart U.S. Courthouse
100 East Fifth Street
Cincinnati, OH 45202

RE: *Ohio v. Yellen*, No. 21-3787 (argued January 26, 2022)

Dear Ms. Hunt:

We respond to Ohio’s letter concerning the Ninth Circuit’s decision in *Arizona v. Yellen*, No. 21-16227 (May 19, 2022). “Viewing the Offset Provision through Arizona’s eyes,” that court “accept[ed]—for standing purposes—its allegations that the condition is unconstitutionally ambiguous and coercive.” Op. 16. The majority found standing on that basis but emphasized that it expressed no view on the merits. Op. 24-25. Judge Nelson concurred in part but explained that Arizona’s enactment of a tax cut was insufficient to show any reasonable fear of enforcement of the Offset Provision. Op. 30.

The *Arizona* decision lends Ohio no support. This case was not decided at the pleading stage; the district court entered a permanent injunction in Ohio’s favor. Thus, whereas the Ninth Circuit relied on Arizona’s having “alleged sufficiently concrete and particularized harms to its ability to exercise its sovereign prerogatives” as a result of the Offset Provision, Op. 22, Ohio bore the burden to establish such harms through evidence. Not only did Ohio offer no such evidence, but its enactment of significant tax cuts belied the notion that the Offset Provision has hindered its ability to set taxing and spending policy.

In any event, as our briefs explain, Ohio’s constitutional claims rest on an incorrect reading of the Offset Provision. Judge Nelson’s opinion explains why: “A tax cut, on its own, does not fall within the Offset Provision’s ambit.” Op. 30. Because the Offset Provision does not bar tax cuts, but merely restricts the

use of new federal grants to pay for them, it does not raise any coercion concern. And the Offset Provision cannot be held facially invalid based on Ohio’s speculation that it might be construed as a bar on tax cuts—particularly when, as Judge Nelson observed, the Treasury Department “has explicitly disavowed any” such interpretation. *Id.* To the extent there are open questions about how the Offset Provision will be applied, the *Pennhurst* principle is a tool for resolving the provision’s meaning in concrete disputes, as in the Supreme Court’s recent decision in *Cummings v. Premier Rehab Keller, P.L.L.C.*, 142 S. Ct. 1562 (2022).

Sincerely,

/s/ Daniel Winik

Daniel Winik

cc: All counsel (via CM/ECF)