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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

BETTINA POIRIER, MAJORITY STAFF DIRECTOR
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September 13, 2013

The Honorable Jack Lew
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C 20220

Dear Secretary Lew:

As you are aware, President Obama recently tasked his Administration to pursue bureaucratic avenues to obstruct our nation's energy independence, which has since been described by his own party as "irresponsible" and a "war on jobs" and "war on America".¹ In a June 2013 speech at Georgetown University, the President made clear his intention to use all of his Administration's authorities to execute this regressive agenda. The Environmental Protection Agency (EPA) plays the lead role in the Administration – issuing a stream of regulations that increase the cost of electricity generated from coal and issuing other directives that effectively increase the price Americans pay for energy, and act similar to a carbon tax.² In addition, this Administration has mobilized the Department of Interior³, the Department of Defense⁴, the Securities and Exchange Commission⁵, and numerous others to participate in this effort.

While the White House has publically stated that the President is not seeking to impose a carbon tax⁶, Congressional leaders, such as Senators Boxer and Sanders, have recently proposed

¹ <http://www.youtube.com/watch?v=6fipFpLss3w>.

² US EPA Final Rule "National Emission Standards for Hazardous Air Pollutants From Coal-and Oil-Fired Electric Utility Steam Generating Units and Standards of Performance for Fossil-Fuel-Fired Electric Utility, Industrial-Commercial-Institutional, and Small Industrial-Commercial-Institutional Steam Generating Units," 40 CFR § 60- 63 (2012)

³ Press Release, Department of Interior, Fish and Wildlife Service Releases Climate Change Strategy for Public Review and Comment "Builds on Secretary Salazar's DOI Climate Change Order." *available at* <http://www.doi.gov/whatwedo/climate/carbonsequestration.cfm>

⁴ Press Release, U.S. Department of Defense, Office of the Assistant Secretary of Defense, Greenhouse Gas Targets Announcement for DOD. *available at* <http://www.defense.gov/releases/release.aspx?releaseid=13276>

⁵ U.S. SEC Guidance Regarding Disclosure Related to Climate Change, 17 CFR §§ 211--231—241 (2010)

⁶ Crabtree, Susan *Obama Won't Propose Carbon Tax* Jan. 23, 2013 The Wash. Times. *available at* <http://www.washingtontimes.com/news/2013/jan/23/white-house-rules-out-carbon-tax/>.

legislation that would specifically authorize the Treasury to impose a tax on carbon.⁷ This legislation would establish a tax of \$20 per ton on carbon slowly rising over a ten year period and according to CBO estimates, would generate \$1.3 trillion dollars. This follows the highly controversial 2009 Cap and Trade legislation when both House and Senate leaders unsuccessfully attempted to pass another form of carbon tax legislation.⁸ A tax on carbon has a major impact on a nation's economy and rarely meets the perceived goals, as seen in Australia's recent experiment with the imposition of a carbon tax, which proved to be devastating to their economy.⁹

As Secretary of the Treasury, it is your responsibility to inform and advise the President on matters of economic significance to our nation. In light of the President's war on carbon and the active debate surrounding it, I find it inconceivable that you and others in your Department have had minimal discussions on the highly controversial topic of a carbon tax and the impact it would have on the American economy. It is for this very reason I wrote to then Secretary Geithner in November 2012 expressing my deep concerns for the Treasury Department's reluctance to be transparent with regard to thousands of emails it identified that could relate to a carbon tax.¹⁰ It is my understanding that several non-governmental groups have also contacted Treasury requesting transparency on this front. These groups include the Competitive Enterprise Institute (CEI) and the Washington Examiner. To date, Treasury has released a meager 329 documents, although the agency had originally identified 13,000 documents that contained the term "carbon."¹¹ Treasury is now claiming that the remainder of these documents is not responsive to the request.¹² I am skeptical that Treasury possesses so few documents, including emails, that refer or relate to a carbon tax in light of the attention such a tax has garnered in public debate both at home and abroad.

Accordingly, I request that you provide the Committee with all Treasury documents that refer or relate to a carbon tax, including, but not limited to all of the 7,300¹³ emails Treasury has already identified as being responsive. As these documents were identified over a year ago, it is my expectation that these documents should be turned over without processing delays and no later than September 20, 2013. In addition, I request that Treasury identify and provide the Committee any additional documents that refer or relate to a carbon tax that have been generated after November 2012 through the present, along with a full response to my original request letter.

⁷ Zach Colman, *Senate Environment Panel to Take Up Sen. Sanders's Carbon Tax Bill in July*, June 13, 2013, available at <http://thehill.com/blogs/e2-wire/e2-wire/305373-senate-panel-to-talk-climate-change-carbon-tax-bill-in-july>

⁸ American Clean Energy and Security Act of 2009 (ACES), H.R. 2454, 111th Cong.

⁹ Dr. Alex Robson, AUSTRALIA'S CARBON TAX: AN ECONOMIC EVALUATION, (Griffith University) Sept. 2013.

¹⁰ Letter from Sen. David Vitter to The Hon. Tim Geithner, Sec. of Treasury (Nov. 2012), ON FILE WITH AUTHOR.

¹¹ Press Release, CEI, Unhappy Anniversary: A Year of Treasury Department Stonewalling (Aug. 6, 2013).

¹² *Id.*

¹³ Freedom of Information Act (FOIA), 5 U.S.C. § 552 Request No. 2012-08-053 or 2012-08-054

If you have any questions regarding compliance with this request, please contact Kristina Moore of the Environment and Public Works Committee at 202-224-5176. Thank you for your prompt attention to this important issue.

Sincerely,

A handwritten signature in blue ink that reads "David Vitter". The signature is written in a cursive style with a large, stylized "D" and "V".

David Vitter

Ranking Member