

FRED UPTON

6TH DISTRICT, MICHIGAN



COMMITTEE ON ENERGY AND COMMERCE

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ENERGY AND ENVIRONMENT
RANKING REPUBLICAN MEMBER
COMMUNICATIONS, TECHNOLOGY,
AND THE INTERNET

Congress of the United States
House of Representatives

September 17, 2009

The Honorable Timothy F. Geithner
Secretary of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Secretary Geithner:

I am writing to respectfully request that you make fully available recently released documents regarding the Administration's cap-and-trade initiative. The five documents were released this week in response to a FOIA request, and I was confounded to see that every reference, with one exception, to government revenue and costs was deliberately censored.

It appears that the Treasury Department is seeking to suppress the real costs to the American public. Meanwhile, Administration officials continue to purport that the costs of cap-and-trade will be that of "a postage stamp a day," despite many studies to the contrary, including findings from your own Office of Environment and Energy.

I am particularly interested in the one-page document entitled *Domestic Climate Policy* that was prepared by Judson Jaffe. The Jaffe document omits important figures, most glaringly, on the annual costs under a cap-and-trade regime, stating, "It will raise energy prices and impose annual costs on the order of XXXXXXXXX dollars."

The Jaffe document does reveal Treasury expectations that, "A cap-and-trade program could generate federal receipts on the order of \$100 to \$200 billion annually." This figure in itself, while it corroborates various studies that predict exorbitant costs to American families under cap-and-trade, seems to contradict Administration claims that cap-and-trade's impact on American families will be minimal.

Study after study has predicted cap-and-trade will result in skyrocketing energy bills and massive job losses. The Congressional Budget Office conservatively estimated that meeting the mandated reductions would cost \$864 billion, while some anticipate closer to \$1.5 trillion. CBO also predicted gasoline costs would increase by 77 cents per gallon and diesel by 88 cents. And now Treasury documents suggest families will see an annual increase of \$1,700, at a minimum.

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I respectfully request that all five documents be released in their entirety:

- **Domestic Climate Policy, prepared by Judson Jaffe**
- **Domestic Climate Change Policy transition memo, Draft 2, 11/6/08**
- **Treasury's New Office of Environment and Energy, prepared by Jim Kapsis**
- **Treasury's Office of Environment and Energy, prepared by Jim Kapsis**
- **Transition Memo, Subject: Carbon Market Oversight**

The censorship of these documents does not correlate with the Administration's efforts for greater transparency, and raises many serious questions regarding one of the Administration's leading initiatives that stands to eliminate millions of jobs and affect every single American citizen at a time when the national unemployment rate hovers just below ten percent.

Release of these documents in their entirety will provide a unique opportunity to have an open and honest discussion on the expected costs that a cap-and-trade regime will have on American families and our overall economy.

I have provided copies of the censored documents to remove any potential for confusion. I appreciate your time and prompt consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fred Upton', with a long horizontal flourish extending to the right.

Fred Upton
Member of Congress