



Written by [Rebecca Terrell](#) on September 18, 2009

Treasury Dept. Admits Mega-Billion Global Warming Tax

Documents obtained this week from the U.S. Treasury Department reveal the Obama administration's plans for a massive global-warming tax through "cap and trade" legislation that has already passed the House. The Competitive Enterprise Institute (CEI) requested the Treasury documents (PDF) under the Freedom of Information Act and was given an edited version of five records that indicated the cost to American taxpayers would be from \$100 - \$200 billion per year.



This is just an estimate, since the Treasury had blacked out the end of the following sentence: "It will raise energy prices and impose annual costs on the order of...." Opponents of the plan maintain that the average household would end up saddled with an estimated one to two thousand dollars in added energy consumption costs annually, costs that are corroborated by the Treasury's estimate since there were 105,480,101 households as of the last census.

If passed, cap-and-trade legislation would set up government rationing of industrial carbon dioxide emissions. Obama's plan involves granting, selling, and/or auctioning carbon dioxide-emission permits to the industrial sector, which will translate to higher prices for household and business energy consumers.

"The cost of a cap-and-trade plan to businesses and consumers will be huge, which the Treasury Department internally acknowledges," said CEI Senior Fellow Christopher Horner. "The documents represent what the administration expects 'cap and trade' to cost, and raise. It's a candid perspective that must be told with as much openness to the American public as administration staff discuss with each other. Therefore, we call on the Administration to immediately release complete, un-redacted copies of these documents for all to see. No more hiding."

Environmentalists disagree with CEI's conclusions, claiming that Obama plans to use cap-and-trade revenue to cut taxes. Tony Kreindler, spokesman for the Environmental Defense Fund, explained, "That math ignores the redistribution of revenue back to consumers. It only looks at one side of the balance sheet. It would only be true if you think the administration was going to pile all the cash on the White House lawn and set it on fire."

The Treasury Department goes even further. "The reporting on the Treasury analysis is flat out wrong," said Alan B. Krueger, Assistant Secretary for Economic Policy. "The reporting and blogging on this issue



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ignores the fact that the revenue raised from emission permits would be returned to consumers under both administration and legislative proposals."

Lawmakers on Capitol Hill are not convinced. "The current administration claims to be the most transparent in American history, yet it's been hiding a report showing its cap-and-trade energy plan would cost up to \$200 billion every year," argued Sen. Lamar Alexander (R-Tenn.). "American families can't afford a new \$1,761 yearly energy tax, and our economy surely cannot afford the 1-percent drop in productivity this big-government bill would cause. The best step we can take right now to lower energy costs, boost the economy, and clean our air would be to rely on a technology we created: nuclear power."

Others warn this legislation would likely offshore more American jobs, since countries like China and India do not levy greenhouse-gas taxes. In a February interview with the *New York Times*, Energy Secretary Steven Chu said, "The concern about cap-and-trade in today's economic climate is that a lot of money might flow to developing countries in a way that might not be completely politically sellable."



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