



Written by [Rebecca Terrell](#) on September 30, 2009

## Obama's Treasury Sued Over Global Warming Tax

The Competitive Enterprise Institute (CEI) is suing the Obama Administration for inadequate disclosure of its clean energy "Cap-and-Trade" plans.

On September 29, CEI [announced its intent to sue](#) the Treasury Department for covering up true costs associated with the mammoth [American Clean Energy and Security Act](#) that passed the House in June. CEI had obtained [documents from the Treasury Department](#) earlier this month through a Freedom of Information Act (FOIA) request filed back in April — documents revealing much higher costs to American taxpayers than the government had previously disclosed. In the September 29 announcement, CEI Senior Fellow Christopher Horner stated, "[Treasury's] response fails any reasonable test for compliance with FOIA and constitutes an effective denial of our request."



Based on those documents, CEI analysts estimate costs could run as high as \$300 billion per year, despite Obama's claims on June 25 in an address to the House of Representatives that "the price to the average American will be about the same as a postage stamp a day."

That means Obama's calculation amounts to less than 1% of Treasury predictions, and far less than his own dauntingly ambiguous estimates made in a January interview with the *San Francisco Chronicle* when he admitted, "Under my plan of a cap and trade system, electricity rates would necessarily skyrocket."

It seems the latter claim is more in line with reality, as the Treasury documents state, "Domestic policies to address climate change and the related issues of energy security and affordability will involve significant costs and potential revenues, possibly up to several percentage points of annual GDP (i.e. equal in size to the corporate income tax)." Added costs will come in the form of "loss of domestic and international market shares for U.S. companies, and relocation of U.S. firms abroad," while "energy-intensive sectors, such as steel, aluminum, paper, chemicals, and cement industries, where imports are ready substitutes and lower carbon technologies are not widely available, are clearly vulnerable."

Senators Barbara Boxer (D-Calif.) and John Kerry (D-Mass.) plan to introduce their version of the Cap and Trade legislation on September 30. If that bill passes, it will set up government rationing of industrial greenhouse gas emissions.



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