



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

April 14, 2008

To: All Members, U.S. Senate
Re: "America's Climate Security Act" (S. 2191)

Dear Senator:

On behalf of Americans for Tax Reform, I am writing to express concerns with the "America's Climate Security Act" (S. 2191), sponsored by Senator Lieberman and Senator Warner, a proposal which would increase taxes and raise energy prices for American consumers by putting a mandatory cap on greenhouse gas emissions. **At a time when consumers are struggling with high prices for energy and energy-intensive products, it is puzzling that Congress would pursue a policy that can only raise energy prices further.**

Make no mistake. A cap and trade scheme is nothing more than a massive tax increase on American consumers. Last week, the Congressional Budget Office released their analysis of S. 2191. The reported concluded that a cap and trade proposal would amount to a \$1.2 trillion tax increase over the next ten years. With these increased costs, it will be harder for American families to buy food, heat their homes, or take a vacation.

S. 2191 would be an enormous burden on the American economy. About 85 percent of America's energy comes from coal, oil and natural gas, of which mandatory emissions caps attempt to restrict. If implemented, a cap and trade policy would bear considerable costs to production, a key ingredient for economic growth. Increased costs to production would adversely affect another economic growth indicator, consumer spending. As a report by the Congressional Budget Office (CBO) concluded in April, 2007 "much or all of the allowance cost would be passed on to consumers in the form of higher prices."

Supporting mandatory caps on emissions would have overwhelmingly negative consequences, high costs, and virtually no benefits. I once again urge you to oppose any cap and trade legislation, including S. 2191.

Onward,

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