Congress of the United States
House of Representatives
Washington, D.C. 20515

July 22, 2009

The Honorable Gary Locke
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, DC 20230

Dear Secretary Locke:

We write to you regarding statements attributed to you in a July 17, 2009 *Reuters* press report entitled "U.S. should pay for carbon content of imported goods-Locke" which apparently were made during a speech to the American Chamber of Commerce in Shanghai. Based on the press report, it appears that you are advocating that American consumers pay for the carbon emissions of other nations, and that you have proposed that American consumers should pay increased costs for all imported goods which have a "carbon content."

In particular, the press report indicates that you stated that "to address the serious threat of global warming, Americans should be required to 'pay' for the carbon content of goods they consume from countries around the world." You are specifically quoted as stating to the American Chamber of Commerce in Shanghai that: "It's important that those who consume the products being made around the world to the benefit of America – and it's our own consumption activity that's causing the emission of greenhouse gases, then quite frankly Americans need to pay for that."

We seek clarification about your comments. As you are aware, there is already pending legislation that would impose enormous increased costs and regulatory burdens on the U.S. economy, U.S. businesses and the American consumer. We seek clarification about your apparent proposal that the U.S. consumer should additionally be burdened with the carbon costs of other nations over and above the costs that will be imposed on U.S. consumers under the pending legislation.

Accordingly we request that you provide us with responses to the following:

1. Please explain what you mean in stating that American consumers should pay for the "carbon content" of goods produced in other countries?

    a. How would such costs be determined and by whom would they be determined?
    b. How would such costs be assessed on Chinese and other imported goods?
    c. What would be the mechanism for charging American consumers for the "carbon content" cost of Chinese or other foreign goods?
    d. What would be the estimated revenues collected from these charges?

e. Would any revenues from the charges on American consumers be transmitted to the Chinese government and other foreign countries?

2. As you are aware, the United States imports some 60 percent of the oil it consumes. Are you envisioning imported oil being covered by your scheme? What do you think an appropriate carbon charge would be on imported oil?

   a. Please provide us with your estimate of the overall cost to American consumers in the form of higher energy and commodity prices based on the carbon content charge that you believe would be appropriate for imported oil.

3. What is the basis for your statement that American consumers should be responsible for Chinese and other foreign greenhouse gas emissions?

4. On March 16, 2009, the chief climate negotiator for the People's Republic of China (PRC), Li Gao, said countries importing goods from China should be responsible for the greenhouse gases generated by their production, according to the Associated Press. These comments were delivered during high level talks on climate change policy between the PRC top climate official, Xie Zhenhua, and the U.S. top climate envoy, Todd Stern. Is your proposal a result of these conversations with PRC officials in March?

   a. If so, what is the basis for acceding to PRC policy proposals?

5. Have you analyzed the trade implications of your proposal that American consumers should pay for the "carbon content" of goods produced in other countries?

   a. If so, what are those implications?

6. Please provide all documents and analyses that formed the basis of your proposal and its trade or other implications.

7. What precedent, if any, is there for your proposal that American consumers pay for the "carbon content" of foreign goods?

8. Did you consult with career officials or staff with the U.S. Department of Commerce regarding your proposal that American consumers pay for the "carbon content" of Chinese and other imported goods?

   a. If so, please identify the person(s) with whom you spoke and provide all documents and analysis relating to your consultation.

9. Did you consult with career officials or staff with the U.S. Trade Representative regarding your proposal that American consumers pay for the "carbon content" of Chinese and other imported goods?

a. If so, please identify the person(s) with whom you spoke and provide all documents and analysis relating to your consultation.

10. Did you consult with White House officials prior to making your statements and does your proposal represent the Administration's position with regard to responsibilities of the American consumer with regard to foreign emissions?

    a. If so, please identify the person(s) with whom you spoke and provide all documents and analysis relating to the basis for your proposal and consultation.

11. Please provide a list of all Department of Commerce officials and staff who accompanied you on the trip to China, including those you consulted with regard to your speech to the American Chamber of Commerce in Shanghai.

12. Please provide any documentation regarding the pricing of the "carbon content" of imported goods from foreign countries.

13. Should foreign consumers of American exported goods pay for the "carbon content" of those goods?

14. If the Department of Commerce withholds any documents or information in response to this letter, please provide a Vaughn Index or log of the withheld items. The index should list the applicable question number, a description of the withheld item (including date of the item), the nature of the privilege or legal basis for the withholding, and a legal citation for the withholding claim.

Please provide the written responses and documents requested by no later than two weeks from the date of this letter. Should you have any questions, please contact Minority staff of the Committee on Energy and Commerce at (202) 225-3641.

Sincerely,

Joe Barton
Ranking Member
Committee on Energy and Commerce

Ralph Hall
Ranking Member
Committee on Science and Technology

F. James Sensenbrenner, Jr.
Ranking Member
Select Committee on Energy
Independence and Global Warming

Dave Camp
Ranking Member
Committee on Ways and Means

Darrell Issa
Ranking Member
Committee on Oversight and
Government Reform

Fred Upton
Ranking Member
Subcommittee on Energy and the
Environment
Committee on Energy and Commerce

Greg Walden
Ranking Member
Subcommittee on Oversight
and Investigations
Committee on Energy and Commerce

Paul C. Broun
Ranking Member
Subcommittee on Investigations
and Oversight
Committee on Science and Technology

cc: The Honorable Henry A. Waxman, Chairman
Committee on Energy and Commerce

The Honorable Bart Gordon, Chairman
Committee on Science and Technology

The Honorable Edward J. Markey, Chairman
Select Committee on Energy Independence and Global Warming

The Honorable Charles B. Rangel, Chairman
Committee on Ways and Means

The Honorable Edolphus Towns, Chairman
Committee on Oversight and Government Reform

The Honorable Bart Stupak, Chairman
Subcommittee on Oversight and Investigations
Committee on Energy and Commerce

The Honorable Brad Miller, Chairman
Subcommittee on Investigations and Oversight
Committee on Science and Technology