



American Energy Alliance
1155 15th Street NW, Suite 525
Washington, DC 20005

February 2, 2026

Secretary Chris Wright
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Wright,

We are writing to alert you to language quietly included in a [report](#) that was attached to the Energy and Water Development Appropriations Bill. Page 112 of the report directs the Department of Energy to undertake a study that would facilitate the development of a carbon border adjustment mechanism (in other words, an energy tax) in the United States.

This report accompanying the energy spending bill was passed as part of the three-bill “minibus” appropriations package for fiscal year 2026, which combined the Energy and Water Development, Interior, Environment, and Related Agencies, and Commerce, Justice, Science, and Related Agencies bills. President Donald Trump signed the minibus into law on January 23.

Specifically, the report adopted by Congress states:

“The Committee directs NETL to consult with relevant agencies, institutions, academia, and think tank partners and to provide not later than one year after the date of enactment of this Act a study to determine the average emissions intensity of certain goods produced in the United States compared to those from other countries.

“Certain goods shall include all items implicated by the EU’s Carbon Border Adjustment Mechanism. The report shall include a detailed and transparent description of the methodology used to determine the average product emissions intensity of a product, a record of all sources of data used, and a list of covered products, including their associated heading or subheading of the U.S. Harmonized Tariff Schedule.”

We are deeply concerned about the implications of this directive. While framed as a study, the structure and scope closely mirror [the foundational work](#) required to implement a U.S. carbon tax. Given your well-known opposition to carbon taxes and related schemes, we wanted to

ensure you were fully aware of this provision and [its potential trajectory](#). While this language appears only in a report, rather than statutory text that was passed, it is troublesome nonetheless.

A new energy tax is the last thing Americans need, yet proponents of punitive carbon taxes seem to want to lay the groundwork for a U.S. border carbon tax while shielding themselves from actually voting on such a measure. Perhaps they know that energy taxes are widely unpopular with their constituents.

To that point, you have consistently emphasized that carbon taxes, whether explicit or repackaged as “border adjustments,” function as taxes on production and consumption, raising costs for American manufacturers, distorting energy markets, and undermining domestic energy security.

The Trump administration has been a strong and consistent voice against punitive energy taxes here in the U.S. and abroad. Last year, [you joined](#) Secretary of State Marco Rubio, Secretary of Commerce Howard Lutnick, and Secretary of Transportation Sean Duffy to [successfully stop](#) a United Nations-imposed carbon tax on maritime shipping. In that statement, you wrote:

“Whatever its stated goals, the proposed framework is effectively a global carbon tax on Americans levied by an unaccountable UN organization... The Trump Administration unequivocally rejects this proposal before the IMO and will not tolerate any action that increases costs for our citizens, energy providers, shipping companies and their customers, or tourists. We will fight hard to protect the American people and their economic interests. Our fellow IMO members should be on notice that we will look for their support against this action and not hesitate to retaliate or explore remedies for our citizens should this endeavor fail.”

This effort by some in Congress is a similar example of taking bad policy emanating from Europe—in this case, the [EU’s Carbon Border Adjustment Mechanism](#)—and imposing it on American citizens. Therefore, the approach the administration took to address the maritime carbon tax should be adopted here, and DOE’s priority should be to prevent European policies from dictating the terms on which Americans engage in trade.

Thank you again for your leadership in pushing back against carbon taxes, particularly those originating in Europe, and for standing firm on behalf of American households, energy producers, and manufacturers. Please do not hesitate to let us know if we can be helpful as you navigate this issue.

Respectfully,

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President,
American Energy Alliance

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Chief Government Affairs Officer
Americans for Prosperity

Phil Kerpen,
President,
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