

June 18, 2009

The Honorable Eric H. Holder, Jr.
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

Dear Attorney General Holder:

In recent months, General Motors (GM) and Chrysler have received tens of billions of federal dollars. By most reports, the federal government now owns over 60% of GM. Despite this massive influx of federal cash, both manufacturers have maintained at least some lobbying operations.

In addition to internal lobbying, both GM and Chrysler are members of the United States Climate Action Partnership (USCAP). USCAP is a group of businesses and environmental organizations that organized for the sole purpose of lobbying the federal government to enact climate legislation. USCAP has issued principles, recommendations, and legislative proposals to influence U.S. energy and climate policy. USCAP is frequently credited with drafting portions of the Waxman-Markey climate proposal currently before the United States House of Representatives.

In response to press inquiries, GM recently fired its outside lobbyists, but it retained its internal lobbyists and remains a member of USCAP. Numerous Federal restrictions prevent corporations and government entities from using federal money to lobby the U.S. government. Taxpayers are entitled to transparency on how their funds are spent, and tax dollars should not be used to influence federal policy. In the midst of a deep recession, Americans may be willing to spend money to save manufacturing jobs, but they should not be asked to increase deficit spending to support lobbyists.

Beyond being bad policy, the car manufacturers lobbying efforts may be illegal. The Byrd Amendment prohibits the use of appropriated funds to lobby for any award of a federal contract, grant, loan, or cooperative agreement. 31 U.S.C. § 1352. The Byrd Amendment does not prevent payment to a lobbyist from funds available to the contractor other than those paid by the federal government, but the scope of the government's investment in GM and Chrysler raises significant questions as to whether such segregation of funds is possible. By their own admission, the auto manufacturers would not be in business without government funding. As a result, any money spent lobbying would not have been spent but for government funding.

The appropriateness and legality of their continued lobbying and membership in USCAP is therefore questionable. I would appreciate a response to the following questions by July 1, 2009:

- (1) What, if any, federal lobbying is permissible for GM and Chrysler?
- (2) What options for enforcement does the Department of Justice have if the manufacturers' lobbying activities are found to be inappropriate?
- (3) Can GM and Chrysler legally participate in USCAP?

I appreciate your efforts to increase transparency and safeguard the interests of U.S. taxpayers.

Sincerely

F. James Sensenbrenner, Jr.

Ranking Member, Select Committee on Energy Independence and Global Warming