

# Congressional Climate Action

## By Agency or Program

### Agency for International Development

1. Increase and target funding for **climate related international aid** to help prevent resource conflicts and other crises. (Ex.: Drought led to crop failure in Somalia in the 1990s; this in turn led to the failure of the state. Improved access to water and the use of more drought-tolerant crops are adaptation measures that can prevent similar instability from arising.)

### Army Corps of Engineers

1. Require that the Army Corps of Engineers evaluate proposed projects in a framework that places the highest priority on those that protect public safety and **restore critical degraded coastal and river ecosystems** in the context of current and predicted climate changes.

### Climate Change Science Program

1. Restore funding for research on the **societal impacts of climate change** in the developing world. In 2008, the [Center for Capacity Building](#), a program to study those impacts, was cut by the National Center for Atmospheric Research because of a lack of funding. It was saved by a last-minute grant and will move to the University of Colorado-Boulder in 2009. Vital programs such as this should not have to fight to maintain federal status.
2. Create a **National Climate Change Adaptation Fund** to administer financial assistance to states, localities and others for climate adaptation. PCAP has proposed that one-third of carbon-pricing revenues be dedicated to adaptation. \$1.5 billion should go to fund the Climate Adaptation Extension Service, outlined below. The rest should be made available to state and local governments in the form of block grants that can be used to support climate-specific adaptation programs.
3. Establish a **Climate Adaptation Extension Service**, similar to the USDA extension service, to sponsor research at public colleges and universities on best adaptation practices; to disseminate research by the national Climate Change Science Program on likely social, economic, public health and physical impacts of climate change; to educate state and local officials; and, to sponsor workshops, conferences and other technical assistance on adaptation strategies and practices.

## Department of Agriculture (USDA)

1. Appropriate sufficient funding for the USDA to quantify and understand the **impacts of climate change on agriculture** and, conversely, the **impacts of various agricultural practices on climate change**.
2. Structure future Farm Bills with a view toward a [50-year national farm plan](#). On the recommendation of Wes Jackson of The Land Institute, PCAP has recommended that USDA develop such a plan to help make farms and rural communities the nation's primary source of renewable energy supply and sequestration services. Such a plan will aid in restoring and maintaining the health of the nation's soils, forests and waters.
3. **Restructure agricultural subsidies** and financial assistance programs to reward practices according to how much carbon is put – and kept – in soils.
4. Support the USDA's [proposal](#) to invest \$50 million over 10 years to encourage new private markets to supplement existing **conservation and forestry programs**.
5. Fully fund the new conservation provision in the [2008 Farm Bill](#) (P.L. 110-234, the Food, Conservation, and Energy Act of 2008) that seeks to engage farmers and landowners in **environmental services markets** by directing the USDA to develop technical guidelines for measuring farm- and forestry-based environmental services. This provision focuses first on carbon storage and will help address the need for uniform standards, ways of measuring emissions reductions, and increases in carbon storage in the agriculture and forestry sectors.
6. Approve an investment tax credit of 50 percent to encourage climate-related **conservation improvements** by farmers, ranchers and forest landowners.
7. Revoke limitations under “d,” Section 9001 of the [2008 Farm Bill](#), **“Bio-based Markets Program,”** Title IX. This section addresses federal procurement of bio-based products and directs federal procuring agencies to obtain and give preference to bio-based products. However, the requirement states that “nothing in this section shall apply to the procurement of motor vehicle fuels, heating oil or electricity.”
8. Fully fund the **Environmental Quality Incentives Program, Conservation Security Program, Conservation Reserve Program**, and other effective programs that protect and reestablish wetlands and support farmland conservation.
9. To encourage **conservation of forested lands**, increase the appropriation for the U.S. Forest Service's [State and Private Forestry Programs](#) and extend existing tax credits for permanent easements beyond 2008 to keep forested land forested. (Old growth forests sequester more carbon than young, newly planted forests.)
10. **Direct the USDA and the EPA to make wetlands protection a joint-agency priority.** Consider a No Net Loss wetland policy when calculating cropland conversion options and include offsets from functional wetland creation or restoration in standards for greenhouse gas offset programs.
11. Request that the Congressional Research Service identify incentive programs that subsidize **inefficient land uses** and other practices contrary to sound carbon management, and reform or repeal those programs.

## Department of Energy<sup>1</sup>

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<sup>1</sup> PCAP proposes reorganization of the Department of Energy and the SBA to create a new agency. (See details below.) The programs described here for DOE and SBA would be brought under the new agency.

1. Appropriate \$30 billion annually for 10 years for **energy research, development, demonstration and commercialization**. This amount is comparable to the national investment in medical research at the National Institutes of Health. These funds should be reserved for R&D of critical energy efficiency and renewable energy technologies and used to strengthen programs at DOE, EPA and other agencies that enable and accelerate the market penetration of these technologies.
2. Appropriate \$1.4 billion annually to the [Weatherization Assistance Program](#) (WAP). WAP helps low income families save an average of \$358 per year on utilities and has a return of \$1.54 in energy savings for every dollar invested in improvements. Only 5 million of 28 million eligible houses have been weatherized. WAP appropriations should be given equal or higher priority than appropriations for LIHEAP to prevent as well as respond to fuel emergencies.
3. Appropriate full funding for the [Zero-Net-Energy Commercial Buildings Initiative](#), authorized in the Energy Independence and Security Act of 2007.
4. Extend and expand DOE's [loan-guarantee authority](#) for commercial energy efficiency and renewable energy projects (Title XVII of EPCA 2005). The authority, now authorized through 2009, should be extended to 2020. Funds earmarked for nuclear and coal-related projects should be shifted to the renewable energy and energy efficiency projects. (In 2008, Congress authorized \$38.5 billion in loan guarantee authority, including \$18.5 billion for nuclear power facilities; \$2 billion for advanced nuclear facilities for the front-end of the nuclear fuel cycle; \$10 billion for renewable and/or energy efficient systems and manufacturing and distributed energy generation/transmission and distribution; \$6 billion for coal-based power generation and industrial gasification at retrofitted and new facilities that incorporate carbon capture and sequestration or other beneficial uses of carbon; and, \$2 billion for advanced coal gasification.)
5. Appropriate \$4.9 billion over five years to the Energy Transformation Acceleration Fund administered by the newly created [Advanced Research Projects Agency – Energy](#) (ARPA-E). Add “reduce greenhouse gas emissions” to the ARPA-E mission statement. Prohibit expenditure of these funds on any emerging technology that the director of ARPA-E determines is likely to cause net increases in greenhouse gas emissions.
6. Appropriate \$2 billion annually for five years to the [Energy Efficiency and Conservation Block Grant \(EECBG\) program](#), as authorized in the EISA. In eligible activities, include local green job training; sustainable development initiatives; and, climate adaptation and mitigation efforts.
7. Appropriate \$1 billion annually for the [State Energy Program](#) to providing grants to states to create and implement **State Energy and Climate Security Plans**. Small base grants should be given to each state for energy efficiency and renewable energy activities according to the formula established in the Energy Policy and Conservation Act (EPCA). Additional funds should be allocated to states that meet minimum criteria established by the Secretary of Energy for policies and programs that reduce fossil energy consumption and carbon emissions. Remaining funds should be allocated competitively based on each state's progress at emissions and fossil energy reductions. DOE should review each state's plan every three years to recertify eligibility for receiving more than the basic formula grant.

8. Allow states to establish **appliance efficiency standards** more stringent than those set by the federal government when DOE fails to complete updates of appliance efficiency standards in a timely manner and when states show sufficient economic justification.
9. Appropriate \$1 billion over five years to create **platinum carrot awards** for the private sector to develop breakthrough technologies that substantially advance the nation's energy and climate security. Technology categories should be established, and nominated entries judged, by teams from the Department of Energy's national laboratories. The funds would be in addition to, rather than a replacement for, the \$1 billion over 10 years authorized in the Energy Independence and Security Act of 2007 for "H-Prize" (hydrogen-related) awards.
10. Fully fund the [Energy Efficiency Public Education Initiative](#) at \$90 million annually, as authorized in the EAct 2005.
11. Appropriate \$25 million annually to the [Renewable Energy Production Incentive \(REPI\) program](#). REPI was created in the Energy Policy Act of 1992, and is authorized through 2026. Under REPI, DOE can make direct payments to not-for-profit public power systems and rural electric cooperatives to support operations at solar, wind, geothermal, ocean and biomass renewable energy projects, at a rate near 1.8 cents per kilowatt hour for electricity generated. There is a large backlog of unfunded REPI requests and demand increases demand each year, yet REPI receives only \$5 million annually and the current administration has proposed to eliminate it.
12. Authorize the DOE to conduct pilot projects that use Energy Savings Performance Contracts to "retrofit" civilian and military fleets with **low-carbon vehicle technology** (referred to as "Rolling ESPCs).
13. Amend EISA to reduce **conflicts between food and energy**.
14. Expand the Department of Energy's [Clean Cities](#) program. Established in 1993 but underfunded, the program builds local collaborations between fuel providers, fleet managers and others to facilitate the use of alternative vehicles and fuels. The program's current goal is to displace 2.5 billion gallons of petroleum annually by 2020.

## **Department of Labor**

1. Fully fund the [Green Jobs Act](#) authorized at \$125 million in EISA to train 30,000 underprivileged young people annually in [green-collar trades](#). (Also included in "Green New Deal" proposal under Crosscutting below)

## Department of Transportation

1. Allocate federal transportation funding based on **reductions in greenhouse gas emissions and petroleum consumption** rather than miles traveled, miles of lanes and amount of fuel consumed.
2. Provide the same **federal share** of funding for public transportation investments as for highway projects. Currently, the federal share of capital investments in new highway projects is 80 percent, while the federal share in public transportation projects is only 50 percent.
3. Require the recipients of federal transportation funding to submit reports that track **greenhouse gas emission reductions per dollar spent**. This will help federal, state and local officials determine the most cost-effective approaches to providing citizens with low-carbon mobility options.
4. Require that new roads and highways include safe accommodations for bicycle and pedestrian travel.
5. Require that states create state-wide [transit oriented development](#) (TOD) plans in order to qualify for federal transportation funding. According to the National Household Transportation Survey, 87 percent of daily household travel in the United States takes place in automobiles. Transit-oriented development reduces fuel consumption and greenhouse gas emissions, while providing greater mobility opportunities that allow people to live with fewer vehicles and to save part of the 16 percent of household income currently spent on transportation.
6. Require that in order to deduct advertising expenses from federal income taxes, automakers and auto dealers must dedicate 10 percent of their advertising expenditures to educating consumers about how they can help reduce America's dependence on oil and greenhouse gas emissions, with options ranging from ride-sharing and greater reliance on public transportation, to better vehicle maintenance, slower driving and the use of more fuel-efficient vehicles and non-petroleum fuels. By [one estimate](#), automakers and dealers spent nearly \$740 million on internet advertising and more than \$10 billion on television advertising in 2007, much of it to promote the sale of fuel-inefficient models.
7. Create low-emission options for intercity travel in the United States by increasing funding for high speed rail and inter-modal connections. Today, passenger vehicles are used 95 percent of the time for travel of between 50 and 499 miles. According to Sen. Kay Bailey Hutchison, the nation invests less than \$600 million on its rail infrastructure while spending \$80 billion annually on highways and \$19 billion annually on aviation. More money is spent to clear road kill ((\$1 billion annually) and salt icy roads (\$1.4 billion) in the United States than is spent on improving the nation's rail infrastructure. Yet, high speed rail can reduce petroleum use, greenhouse gas emissions, traffic congestion, airport delays, aircraft operating costs and the number of traffic accidents, and the cost to build high-speed rail is one-tenth the cost of highway construction per mile.
8. Create an **Intermodal Connections Program** that provides grants, loans or loan guarantees to create more convenient and accessible linkages for travelers between airports, rail and bus terminals.

*See other transportation-related proposals under DOE and EPA.*

## Environmental Protection Agency

1. Appropriate \$100 million annually for the [Energy Star](#) program. In 2007, Energy Star was responsible for approximately one-third of EPA's program-related greenhouse gas reductions. Additional funding will allow Energy Star to expand into new areas including creating an energy performance program that would send trained and certified contractors into homes to properly size and install HVAC equipment.
2. Enact a **Clean Water Restoration Act** to restore protections to water bodies excluded by recent narrow interpretations of the [Clean Water Act](#).
3. Provide funding for the **Great Lakes Restoration Collaboration Implementation Act** and other ecosystem-scale restoration plans for major freshwater and estuarine ecosystems in the U.S.
4. Establish a competitive grants program, open to states and local governments, to analyze water conservation and water supply system operational changes needed to increase the resilience of **public water supply** systems.
5. Revise federal water and sewer infrastructure funding mechanisms to give priority to those projects that achieve the highest practical levels of **water conservation**.
6. Provide tax incentives for the manufacture and use of [wide-base tires](#) for freight trucks. According to the EPA, wide-base tires on a new combination truck can save \$1,000 initially and reduce annual greenhouse gas emissions by 4 metric tons per year.
7. Increase funding for the EPA's efforts to test and promote anti-idling technology for freight-hauling trucks through its [SmartWay Transport Partnership](#) program. According to the Center for Clean Air Policy, 22.7 percent of CO2 emissions from freight trucks can be cut with technologies and operational changes that reducing idling.

## Federal Emergency Management Agency

1. Require FEMA to release updated **floodplain maps** to affected communities immediately after the maps are completed. Some legislative proposals have sought to delay or impede the release of new maps that show vastly expanded flood plains. Delaying the release of these maps to communities needlessly exposes prospective homeowners to risk while only artificially increasing property value temporarily.
2. Require that FEMA update flood plain maps to reflect true risk based on projected and observed changes in disaster patterns and vulnerable areas. Pre-existing levees may be inadequate to protect against potential flooding; new floodplain maps must reflect this to show true risk.

## Department of Interior

1. Increase funding for **information systems** for programs such as the USGS National Streamflow Information Program, the Cooperative Water Program, river/stream gauging systems, satellite imaging, and data management.
2. Establish an **ecosystem reserve program**, based on existing protected areas, to coordinate management across federal lands and establish partnerships with state and private land managers to better protect core habitats, biodiversity, natural hydrology, environmental quality and other elements critical to ecosystem functions.
3. Reauthorize/enact the [National Aquatic Invasive Species Act](#).

## National Oceanic and Atmospheric Administration (NOAA)

1. Reauthorize the [Coral Reef Conservation Act](#)
2. Direct NOAA to develop the following proposals for future congressional action:
  - Core funding required for adequate **ocean science** and research, management, and infrastructure;
  - A permanent **ocean trust fund** to provide a dedicated source of funding to state and federal programs;
  - Comprehensive legislation to reduce the **runoff** of excess nutrients into water bodies;
  - Improvements in **fisheries management** to sustain healthy fisheries stocks and sustain a strong U.S. fishing industry;
  - The establishment of **marine reserves** for coral reef habitat protection;
  - Sufficient funding to remove **ghost gear** from all coral reefs in U.S. waters; and ban bottom trawling in areas near tropical or cold-water corals;
  - Sufficient funding for **federal salmon recovery** plans under the Endangered Species Act.
3. Approve pending legislation that addresses ocean acidification research, ocean exploration, ocean mapping, oceans and human health;
4. Implement the Integrated Ocean Observing System.
5. Fund and direct NOAA to implement the national [Ocean Research Priorities Plan and Implementation Strategy](#).

## National Park Service

1. Appropriate \$900 million annually for the [Land and Water Conservation Fund](#) by establishing a conservation trust fund with federal oil and gas lease revenues.

### Small Business Administration (SBA)

1. Increase the **small business set-aside** in the Small Business Innovation Research Act to 5 percent, double its current level, with green technology designated as the program's highest priority. (Under the SBIR program, federal agencies that spend more than \$100 million on externally funded R&D must set aside 2.5 percent of those expenses in the next fiscal year to fund technology development by small companies. Funding now amounts to about \$2.5 billion annually.)
2. Merge SBA with the technology development and deployment programs of DOE. (See details under Reorganization below.)

### U.S. Army Corps of Engineers

1. Require the Corps of Engineers to evaluate proposed projects to assign highest priority to those that protect public safety and restore critical degraded coastal and river ecosystems.

### U.S. Geological Survey

1. Increase support for **information systems** for programs such as the USGS National Streamflow Information Program, the Cooperative Water Program, river/stream gauging systems, satellite imaging and data management systems.

## Crosscutting Actions

1. Appropriate \$100 billion over two years for a [Green Economic Recovery Plan](#)<sup>2</sup> to increase building efficiency, expand mass transit and rail, construct “smart” electric transmission systems, and promote wind power, solar power and bio-fuels. Allocate \$50 billion in tax credits to help finance building retrofits; \$46 billion in direct government spending on public buildings, mass transit and infrastructure; and \$4 billion in federal loan guarantees for building retrofits and investments in renewable energy.
2. Create and fund a [Green New Deal](#) program that trains workers at all professional levels in the skills required for the new green economy, provides entry to green career ladders for young Americans and offers opportunities and incentives for community service. For example:
  - Create and fund a [Green Jobs Corps](#) within the AmeriCorps program (Corporation for National and Community Service), aimed at the 1.5 million Americans between the ages of 18 and 24 who are neither employed nor in school. The Green Job Corps would work on local climate adaptation and greenhouse gas mitigation projects. Participants would receive a stipend while in the Corps plus \$5,000 for each year of service to spend on education, the purchase of a home or the creation of a small business
  - Create and fund an **American Conservation Corps**, administered by the Corporation for National and Community Service, to help improve America’s critical infrastructure and to assist with urban and rural development projects that result in reductions in greenhouse gas emissions and climate adaptation.
  - Provide full funding to the Department of Labor for the **Green Jobs Act** -- \$125 million -- contained in the Energy Independence and Security Act of 2007 to train 30,000 low-income and working class Americans in green career paths.
  - Create a substantial federal **revolving loan fund** to capitalize Green New Deal projects and to leverage additional state, local and private funds.
3. Create a **National Energy and Climate Security Program** that supports local climate action, and appropriate \$1.7 billion annually for the following:
  - \$50 million to DOE to launch a **Green Communities Partnership** program with the nation’s public power communities and rural electric cooperatives to establish new rate structures, demand management programs, customer outreach and performance contracting mechanisms for energy efficiency improvements in buildings and the deployment of renewable energy generation technologies.
  - \$50 million for EPA to provide **incentive awards to states and localities** that substantially exceed federal minimum goals for reducing greenhouse gas emissions.
  - \$50 million to EPA to create a High-Performance Schools Program such as that proposed in the [High Performance Green Buildings Act](#) (S. 2620) and contained in

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<sup>2</sup> The plan has been proposed in detail by the Center for American Progress.

Title IV, Subtitle E, of the [Energy Independence and Security Act of 2007](#), with the goal of saving \$1.5 billion annually in energy expenses for the nation's K-12 schools.

- \$50 billion for the Department of Housing and Urban Development (HUD) to work with local governments to green public and assisted housing, with the goal of saving 5 percent annually on HUD's \$4 billion in annual energy expenditures related to public housing and rental assistance payments.
- \$50 million for the Department of Transportation (DOT) to provide bonus funding local and regional governments that commit to reduce vehicle miles traveled by 20 percent by 2020.
- \$50 million to the EPA to expand grants to local governments in its [Smart Growth Program](#) to encourage mixed-used, higher-density, transit-oriented development.
- \$25 million to DOE for the [Solar America Cities](#) program, to incorporate solar energy into high-profile municipal buildings and community facilities.
- \$20 million annually for the EPA [green local government building demonstration grant program](#), which was authorized in the Energy Independence and Security Act of 2007.
- \$50 million for the Forest Service to help cities enhance carbon sequestration and reduce cooling costs under the [Urban and Community Forestry program](#).
- \$50 million for DOE's biomass program and the EPA Office of Wastewater Management to fund demonstration and deployment projects to reduce energy use by and greenhouse gas emissions from municipal water and wastewater treatment operations, now responsible for 20 percent of municipal emissions.
- \$50 million for EPA to provide grants of up to \$2 million for local governments to establish revolving loan funds for developers to capitalize green infrastructure projects such as green roofs, natural drainage systems and landscaping that reduce storm water runoff.
- \$25 million to EPA for demonstration grants to local governments to [Resource Recovery Parks](#) to encourage recycling, composting or reuse of municipal solid wastes, with the goal of increasing the national recycling rate from its current level of 27 percent to 35 percent to annually reduce greenhouse gas emissions by 11.4 million metric tons of carbon equivalent over land-filling the same material.
- \$10 million to EPA's [Landfill Methane Outreach Program](#) with the goal of turning methane gas into energy at the 535 landfills the agency estimates are good prospects, producing enough electricity to power more than 800,000 homes.
- \$100 million for EPA to create competitive a **Climate Change Local Demonstration** grants program for local governments to build staff capacity to engage in GHG emissions reduction and climate adaptation activities. Base the program on EPA's existing authority in Section 103 of the [Clean Air Act](#) via 42 U.S.C. Section 7403(a) & (b), to conduct demonstrations relating to the causes, effects, extent, prevention and control of air pollution; and to make grants and provide financial assistance to public agencies in the conduct of such activities
- \$50 million annually to DOE's [National Renewable Energy Laboratory](#) to provide technical assistance, consultation and lab analysis on a competitive basis to help cities, states and regions conduct strategic planning on the policies, programs and infrastructure necessary to achieve progressive energy efficiency and renewable energy goals.

4. Increase the national investment in preparing the **next** generation of U.S. [scientists and technicians](#).
  - Fully fund the [America COMPETES Act \(P.O.L. 110-69\)](#) approved by the 110<sup>th</sup> Congress to improve science, technology, engineering and mathematics education to provide the necessary skill sets for building a new energy economy
  - Enact [No Child Left Inside](#) legislation to engage pre-, primary, and secondary school children in environmental awareness and education. Strengthen current bills on this subject by including funding to develop curricula and support teacher training about climate change mitigation and adaptation.
  - Develop a **Climate Solutions Education bill** to provide scholarships, fellowships and grants to colleges and universities to support climate research and education, including curriculum development in climate science and solutions, including social sciences, engineering and design.
  - Enact a **National Climate Education and Readiness Act**, a comprehensive federal effort to build climate and ecological literacy. The Act would:
    - a. Direct existing federal education/extension programs such as the Sea and Land Grant programs, USDA extension, and the [Centers for Ocean Sciences Education Excellence](#) to give appropriate attention and education resources to climate mitigation and adaptation.
    - b. Expand USDA's citizen science networks and youth programs such as 4H; EPA's "[Climate Leaders](#)", "[Green Power Partnership](#)", and "[SmartWay Transport Partnership](#)" programs to include educating employees on climate/economy interrelationships; the federally supported community college [Partnership for Environmental Technology Education](#) to include educational programs and resources for an emerging "green collar" workforce; and the Department of Labor's [YouthBuild](#) and [Community-Based Job Training Grants](#) programs.
    - c. Create a **Climate Change Education Centers for Excellence** program to integrate climate change education into professional education (including continuing education) and training in fields such as architecture; engineering; urban, coastal, transportation and community planning; natural resource management (agriculture, wildlife, and forestry sectors in particular); public health; and business management
    - d. Develop a National Science Foundation program to fund projects that increase public interest, understanding, engagement and **lifelong learning** in climate change
    - e. Direct the National Institutes of Health to integrate climate change impacts on **public health** into health curricula at all levels
    - f. Fund a NOAA program to build the capacity and effectiveness of the climate change and environmental education sector by helping to identify and scale the best approaches.
    - g. Fund a "community outreach partnership centers" program at the EPA for urban universities to develop research and education on climate adaptation and mitigation issues for distressed local communities.

- h. Provide scholarships, fellowships, and internships for undergraduates and graduates in climate science and solutions, including social sciences, engineering and design.
- 5. Enact the [Global Warming Wildlife Survival Act](#) to dedicate significant federal funding for federal, state, and tribal natural resources agencies to protect wildlife and restore ecosystems, helping them to survive global warming's unavoidable impacts.
- 6. Request that Congress restore U.S. funding to the **United Nations Environment Programme's** Environment Fund to mid-nineties levels, or about \$21 million. Funding to the Fund has dropped to approximately one-fourth of earlier levels in recent years.

## Carbon Pricing Legislation

1. Meet with the President early in 2009 to agree on a legislative agenda that will demonstrate a substantial and concrete U.S. commitment to climate action in advance of the international meeting in Copenhagen in December 2009.
2. With timing established under No. 1 above, pass a **cap/auction/invest** bill. PCAP recommends the upstream architecture [proposed](#) by Yale economist Dr. Robert Repetto, in which allowances would be auctioned to the companies that produce fossil fuels, rather than to emitters. This regime would involve 1,500-2,000 entities, many fewer than a mid-stream or hybrid system would involve, allowing it to be more transparent and less costly to administer. It would allow carbon pricing to penetrate 100 percent of the economy. Whatever architecture is approved by Congress, it should meet these criteria:
  - Cover all six greenhouse gases;
  - Produce emission reductions of at least 80 percent below 1990 levels by 2050, and 25-40 percent by 2020;
  - Auction 100 percent of emission allowances;
  - Be transparent, simple, and relatively inexpensive to administer;
  - Cover the entire economy;
  - Be flexible, with a mechanism to regularly review its performance and to adjust carbon caps and prices as necessary to meet emission-reduction goals, without requiring further Congressional action;
  - Be compatible with the international carbon-control mechanism the international community develops to succeed the Kyoto Protocol;
  - Measure carbon reductions in absolute tons rather than in carbon intensity (emissions per dollar of Gross Domestic Product). Absolute reductions are required to bring climate change under control;
  - Reward early adopters.
3. Allocate auction revenues as follows:
  - Initially allocate one-third to low- and moderate-income households to help deal with higher energy prices<sup>3</sup>; one-third to the related priority of helping industries and communities adapt to the impacts of climate change; one-third to research, development and commercialization of clean energy technologies.
  - As low-carbon technologies take hold in the marketplace and federal R&D investments have produced sufficient threshold technologies for a post-carbon economy, as judged by

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<sup>3</sup> The [Congressional Budget Office](#) has evaluated a number of methods for distributing these revenues to low-income households, ranging from reductions in tax rates and payroll tax rebates, to increases in Social Security benefits. The [Center on Budget and Policy Priorities](#) recommends a “climate rebate” delivered through the electronic benefit transfer system and the Earned Income Tax Credit as an efficient way to help low-income households cope, and proposes that it be supplemented by increases in the Weatherization Assistance and Low-Income Home Energy Assistance Programs to help families with above-average home energy costs.

the Administration, shift the allocations of the revenues until 100 percent are returned to the American people.

## Additional Tax Expenditures

1. To complement carbon pricing by reducing distortions in market signals, **phase out federal subsidies** of fossil fuels<sup>4</sup>. Redirect revenues to the development and commercialization of breakthrough energy efficiency and renewable energy technologies. Start by immediately repealing incentives in the Energy Independence and Security Act of 2007 for oil shale and tar sands refining (Section 209) and for liquid fuels from coal (Section 112) – all of which are carbon-intensive, energy-intensive, water-intensive fuels whose development cannot be reconciled with the goal of climate stabilization.
2. Identify and eliminate other perverse federal incentives in federal programs and the tax code that result in increased greenhouse gas emissions<sup>5</sup>. For example, reduce the **home mortgage interest deduction** for McMansions, along the lines of the [proposal by Rep. John Dingell](#), but apply the reduction to all homes, not just primary residences.
3. Extend the **wind and solar energy credits** to 2020. Allow tribes to transfer their share of production tax credits to third parties with whom they partner for renewable energy development on tribal lands, as proposed in the 110<sup>th</sup> Congress in HR 1954.
4. Establish a **transferable R&D tax credit** that would allow a small business to partner with a larger firm with resources needed to commercialize a new technology and to assign the tax benefit to the partner firm.
5. Expand the financing authority of the [Clean Renewable Energy Bond program](#) by an additional \$2 billion. CREB, created in the Energy Policy Act of 2005, provides a federal tax credit to bondholders for zero-interest bonds that are issued by local governments, public power and rural cooperatives, and state governments to finance renewable energy projects. Applications and demands for this financing far exceed the amount that has been awarded.
6. Direct DOE and EPA to create a **National Climate Protection Subsidy Standard**. The standard would establish minimum net-energy, net-carbon, net-economic and net-environmental performance criteria, on a life-cycle full-cost basis, for technologies and resources receiving federal subsidies. The standard should be designed to prevent public subsidies of single-purpose activities that address one national priority while undermining others.<sup>6</sup>

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<sup>4</sup> Federal subsidies for fossil fuels involve not only tax expenditures, but a wide variety of direct and indirect assistance. All fossil energy subsidies of any kind not vital to national security or economic stability should be phased out for the sake of market efficiency. Examples of subsidies that should be retained for overriding security or economic reasons are policing of Persian Gulf oil shipping lanes, maintenance of the Strategic Petroleum Reserve and clean coal R&D with high industry cost-share.

<sup>5</sup> PCAP has proposed that the Administration conduct a first-ever inventory of federal programs and incentives that lead to higher greenhouse gas emissions, and that the President create a commission to recommend the incentives that should be eliminated.

<sup>6</sup> For example, liquid fuels from coal might offset some amount of imported oil, but at unacceptably high cost in carbon emissions and water consumption.

7. Phase out federal subsidies for irrigation practices that promote unsustainable water use, particularly in the western U.S.

## Trade Policy

1. Remove the [54-cents per gallon tariff](#) on sugar-ethanol from Brazil, on the condition that the EPA certifies Brazil is taking [adequate steps](#) to prevent environmental degradation due to sugar cane production.

## Additional Reorganization

1. **Return FEMA to independent-agency status.** Historically, FEMA operated as an independent agency. It was brought under the Department of Homeland Security after September 11, 2001. The additional layer of bureaucracy appears to have hindered agency efforts to respond to major disasters. The agency should have a more direct reporting relationship to the White House.
2. Create a U.S. **Innovation and Economic Development Administration (IEDA)** -- an independent agency with Cabinet status – by merging the technology development and deployment programs of DOE with the U.S. Small Business Administration. (See sidebar for details.) Small businesses are the nation’s principal source of new jobs and innovation. The new agency’s mission will be to spur the creation of transformational low-carbon technologies, and rapidly transfer those technologies to the marketplace with the help of the small business sector.

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### Innovation and Economic Development Administration

Budget and staff of the U.S. Department of Energy’s technology programs – the Offices of Fossil Energy, Nuclear Energy, and Energy Efficiency and Renewable Energy – would be transferred to a new U.S. Innovation and Economic Development Administration (IEDA), joining the budget, staff and programs of the U.S. Small Business Administration. The new agency would consist of two divisions: Innovation and Economic Development.

**Division of Innovation:** The division would administer 1) ARPA-E, the new energy research program authorized by Congress; 2) the Small Business Innovation Research Act; and 3) the non-defense energy research programs of the nine national laboratories. The director of the division would chair a new interagency Energy Innovation Council responsible for developing a long-term national energy R&D strategy for the nation.

**Division of Economic Development:** This division would continue the programs and functions of the SBA, including its loan guarantee program for small businesses, its international trade program and its business-development assistance to women, minorities and veterans. The division would take over the functions of DOE’s Office of Loan Guarantees, and give priority attention to small business development in communities adversely affected by climate change or climate policies and to women-, minority- and veteran-owned small businesses under its current programs for those groups.

DOE’s remaining programs would be reassigned to other agencies. The nonproliferation activities of the Office of Fossil Energy, and the functions of the Offices of Civilian Radioactive Waste Management; Environmental Management; Health, Safety and Security; and Legacy

Management could be consolidated under a new National Nuclear Security Agency. The Energy Information Administration would be transferred to the U.S. Department of Commerce.

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3. Create a single cabinet-level lead oceans agency (**Department of the Oceans**) to better chart and coordinate federal action on ocean and coastal issues. This “NASA of the oceans,” will combine elements of the National Oceanic and Atmospheric Administration (NOAA), the Environmental Protection Agency, the Department of Interior and other agencies. As initial step, ask Congress to codify NOAA as the lead ocean agency until a Department of Oceans is being established and organized.

## International Treaties

1. Accede to the United Nations [Convention on the Law of the Sea](#) to give the United States a voice in international negotiations on open access, mineral rights and boundary disputes. The ability to influence international access to ocean resources and the preservation of ocean ecology is becoming particularly critical with nations beginning to vie for oil and gas deposits exposed as ice sheets melt in the Arctic.
2. Ratify the following international agreements:
  - Bonn Convention on Migratory Species (1979)
  - Basel Convention on the Transboundary Movement of Hazardous Wastes (1989)
  - Convention on Biological Diversity (CBD) (1992)
  - Rotterdam Convention on Prior Informed Consent (PIC) (1998)
  - Cartagena Protocol on Biosafety (2000)
  - Stockholm Convention on Persistent Organic Pollutants (POPs) (2001)