

Overview of Select Past and Current U.S. Carbon Pricing Policy Options

Option	2009 Waxman-Markey "cap-and-trade" bill	2009 Cantwell-Collins "cap-and-dividend" bill	Current Van Hollen and Beyer "cap-and-dividend" bill	Current Citizens Climate Lobby (CCL) "fee-and-dividend" plan	Current Climate Leadership Council (CLC) plan	Current Durbin climate bill	Current Whitehouse climate bill
Information Source ->	2009 H.R. 2454, "American Clean Energy and Security Act of 2009"	S. 2877 (111th): Carbon Limits and Energy for America's Renewal (CLEAR) Act	S. 940 (116th) - Healthy Climate and Family Security Act of 2019	2019 H.R. 763, "Energy Innovation and Carbon Dividend Act"	Feb 2020 "Bipartisan Climate Roadmap"	S.4484 - America's Clean Future Fund Act	S.1128 - American Opportunity Carbon Fee Act of 2019
Parameter							
1. Cap-based rather than fee-based? (Regulates quantities and lets the market determine prices?)	YES	YES	YES	No. Fee-based. The fees adjust over time based on performance against emissions benchmarks, but the fee adjustments are not guaranteed to hit the benchmarks. We can't know whether any given price signal will be strong enough to hit a science-based emissions reduction target. Plan provides for revisiting the mechanism in ten years.	No. Tax-based. The tax rises over time on a schedule. There are provisions for small adjustments in case of deviation from emissions path targets, but the adjustments are not guaranteed to hit the emission path targets. We can't know whether any given price signal will be strong enough to hit a science-based emissions reduction target. Plan provides for setting new targets in 2035.	No. Fee-based. The fees adjust over time based on performance against emissions benchmarks, but the fee adjustments are not guaranteed to hit the benchmarks. We can't know whether any given price signal will be strong enough to hit a science-based emissions reduction target.	No. Fee-based. We can't know whether any given price signal will be strong enough to hit a science-based emissions reduction target.
2a. Includes a price floor?	No.	No.	Authorizes setting a floor.	n/a	n/a	n/a	n/a
2b. Free of a hard price ceiling?	YES	No. Sets a hard ceiling on price. (Allows unlimited emissions at the ceiling price.)	Sets a "soft" price ceiling. (If the price rises quickly, a "borrowing" provision is triggered that temporarily expands the pool of permits.)	n/a	n/a	n/a	n/a
3. Upstream approach is used? (Carbon is regulated at the point where it first enters the economy?)	No.	YES	YES	YES	YES	YES	Both upstream and downstream
4. Permits are auctioned, rather than given away for free?	No. Most emission allowances allocated rather than auctioned.	YES	YES	n/a	n/a	n/a	n/a
5. Includes border adjustments?	No, an "international reserve allowance" program instead	YES	YES	YES	YES	YES	YES
6. Trading of permits is forbidden?	No. Extensive trading permitted.	No, trading is permitted--but only among covered entities, on a government-run exchange.	No, trading is permitted--but only among covered entities.	n/a	n/a	n/a	n/a
7. Plan is free of offsets and other loopholes?	No. Offsets allowed.	Credits for carbon capture and sequestration that could be ok or could be open to abuse.	YES	Exemptions for agriculture & military. Also, credits for carbon capture & sequestration that could be ok or could be open to abuse.	Credits for carbon capture & sequestration that could be ok or could be open to abuse.	Refunds for carbon capture & sequestration that could be ok or could be open to abuse.	Refunds for carbon capture & sequestration and for non-emitting uses that could be ok or could be open to abuse.
8a. 100% of net revenue is recycled as carbon dividends?	No dividends.	75% allocated for dividends, 25% to a "Clean Energy Reinvestment Trust Fund"	YES, 100% after administrative expenses	YES, 100% after administrative expenses and carbon capture and sequestration credits	YES, 100% of net revenue	Not 100%, complex formula. Dividends are income-adjusted, not uniform.	Combination of tax credits, supplemental social security payments, and grants to states for decarbonization efforts.
8b. Dividends are highly visible?	n/a	Unclear. (Dividends to be distributed via "the most cost-effective mechanism.")	Unclear. (Payments to be made "by electronic means to the maximum extent practicable.")	Unclear.	Unclear.	YES, quarterly payments and public awareness campaign	Unclear. There is a provision for creating a website.
9. Dividends are taxable income?	n/a	No.	No.	YES	Unclear.	No.	Unclear.
10. Leaves existing regulations intact?	Part of a complex package of new regulations	YES	YES	No. Suspends greenhouse gas regulations until at least 2030.	No. Rolls back fossil fuel industry regulations.	YES	YES

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