

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	Latest Van Hollen "cap-and-dividend" bill	Current CCL-endorsed Carbajal "fee-and-dividend" bill	Current Climate Leadership Council (CLC) plan
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. 5338 (117th) - Healthy Climate and Family Security Act of 2022	Energy Innovation and Carbon Dividend Act of 2023	Feb 2020 "Bipartisan Climate Roadmap"
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 (via NAS report) in five 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.
2a. Includes a price floor?	No.	No.	YES	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.)	YES	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
4. Permits are auctioned, rather than given away for free?	No. Most emission allowances allocated rather than auctioned.	YES	YES	n/a	n/a
5. Includes border adjustments?	No, an "international reserve allowance" program instead	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.	YES	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.
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, agricultural and military refunds, and carbon capture and sequestration credits	YES, 100% of net revenue
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.") There is provision for a website.	Unclear.	Unclear.
9. Dividends are taxable income?	n/a	No.	YES (no provision states otherwise)	YES	Unclear.
10. Leaves existing regulations intact?	Part of a complex package of new regulations	YES	YES	YES	No. Rolls back fossil fuel industry regulations.

For more information, contact: info@dividendsforamerica.org