

Press Release of Senator Cantwell

Cantwell, Collins Propose Carbon Auction: Bill Reduces Emissions, Returns Revenue to Consumers

Bipartisan climate bill uses simple system to reduce global warming pollution and spur clean-energy job growth

Friday, December 11, 2009

WASHINGTON – Today, U.S. Senators Maria Cantwell (D-WA) and Susan Collins (R-ME) introduced bipartisan legislation to reduce global warming pollution, spur job growth in clean energy technology, and return money directly to consumers. The Cantwell-Collins Carbon Limits and Energy for America's Renewal (CLEAR) Act would set up a mechanism for selling “carbon shares” to fuel producers and would return most of the resulting revenue in checks to every American. The legislation will achieve a reduction in greenhouse gas emissions of 20 percent by 2020 and 83 percent by 2050.

“Energy is a six-trillion dollar market opportunity, and green jobs can transform the U.S. economy,” Senator Cantwell said. **“But we need a signal on carbon so that this can happen. This bill provides a simple approach to getting off of carbon and on to clean energy alternatives. The CLEAR Act provides businesses and investors with a simple, predictable mechanism that will open the way to clean energy expansion while achieving America’s goals of reducing carbon emission.”**

Along with the legislation, Cantwell issued a [report](#) today detailing the positive economic impact of the dividends to be returned directly to consumers. According to the report, a typical family of four would receive tax-free monthly checks from the government averaging \$1,100 per year, or \$21,000 between 2012 and 2030.

Senator Collins said: **“This bill addresses the most significant energy and environmental challenges facing our country. It would help reduce our dependence on foreign oil, promote alternative energy and energy conservation, and advance the goal of energy independence for our nation. Climate change legislation must protect consumers and industries that could be hit with higher energy prices. Such legislation also must provide predictability so that businesses can plan, invest, and create jobs. Finally, climate change legislation should encourage adoption of energy efficiency measures and the further development of renewable energy, which would spur our economy and job creation. The CLEAR Act achieves all of these goals.”**

Cantwell and Collins highlighted the findings of a recent [report](#) by the Institute for Policy Integrity at New York University School of Law that concluded: “carbon pricing is the only signal that can cut through the noise and direct diverse economic actors towards smart, green investments – investments that will create jobs, encourage technological development, and maximize returns.”

By establishing a predictable price on the carbon associated with fossil fuels, the bill provides the business incentive needed to develop and deploy clean energy technology. The International

Atomic Energy Agency estimates that over the next half-century, the investment needed to meet global energy needs and reduce greenhouse gas emissions will reach \$45 trillion.

Producers would bid in monthly auctions for “carbon shares.” The resulting revenue generated by the auctions is used for two vital functions:

75 percent would be refunded to every individual residing legally in the United States. This dividend would more than compensate for the increase in carbon-based fuel that producers would pass on to consumers.

The remaining 25 percent would be used exclusively toward clean energy research and development, regionally-specific assistance for communities and workers transitioning to a clean energy economy, energy efficiency programs, and reductions in non-CO2 greenhouse gases.

“The President has taken our shared emission-reduction goals to the Copenhagen conference and the response there underscores global interest tackling the problem. It also shows that there will be a highly competitive international business environment for leadership in clean-energy technology,” Cantwell said.

Cantwell and Collins said they look forward to working with other colleagues, especially Senators Boxer, Kerry, Lieberman, and McCain, as the Senate tackles the carbon emission problem.

For more background information on the CLEAR Act and a copy of the report on the dividend economic impact, consult Senator Cantwell’s [web site](#) and see the legislative descriptions:

[One Page Summary](#)

[- Detailed description](#)

[Legislative Text](#)