Purpose of This Policy

• To encourage market-driven innovation in clean energy technologies.
• To create efficient markets, encourage competition, and promote our national interests.
• To create a healthier, more stable, more prosperous nation for future generations.

Projected Benefits

• Creates 2.1 million net new jobs by the 10th year.
• Deploys private capital and American innovation to advance clean energy technologies.
• Reduces U.S. carbon emissions by 33% in 10 years, targets 90% reduction by 2050 (vs. 2015).
• Improves health, prevents 13,000 pollution-related U.S. deaths annually.

Major Policy Components

**Carbon Fee** - A gradually-rising upstream fee on the carbon content of fuels.
- **Purpose:** Creates market-driven demand for cleaner energy technologies. Corrects market distortions by reflecting externalities of pollution costs.
- **Details:** Assessed once, upstream. Starts at $15 per metric ton of CO2e, increases $10 each year. Exemption for agricultural fuels and non-emissive uses. Rebate for CCS.
- **HFCs:** Fee also assessed at 10% of GWP of fluorinated gases.

**Carbon Dividend** - Rebates 100% of net revenues to the American people.
- **Purpose:** Protects consumers and the economy. Maintains revenue neutrality. Rebate offsets cost increases for most Americans.
- **Details:** Equal share to adults with SSN or TIN, half share to minors. Administered by Treasury. Admin costs not to exceed 2%. 1-month advance payment.

**Carbon Equalization Tariff** - Carbon intensive imported goods pay equalization tariff if country of origin does not price carbon. Exported goods receive refund.
- **Purpose:** Removes incentive for dirty production for all manufacturers from all countries. Creates economic incentive for all nations to price carbon.
- **Details:** Designed for WTO compliance. Tariff on fossil fuels and carbon intensive goods only.

**Regulatory Adjustment** - Adjusts certain GHG regulations which would become duplicative with enactment of this policy.
- **Purpose:** To avoid double jeopardy of both fee and regulation on certain GHGs.
- **Selective:** Affects only certain GHG regulatory authority.
- **CAFE vehicle efficiency standards, methane, mercury, particulate, regulations remain in place.**
- **If cumulatively emissions targets aren’t hit after 10 years regulatory authority restored.**