108TH CONGRESS
1ST SESSION

S. 17

To initiate responsible Federal actions that will reduce the risks from global warming and climate change to the economy, the environment, and quality of life, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 7, 2003

Mr. DASCHLE (for himself, Mr. JEFFORDS, Mrs. FEINSTEIN, Mr. AKAKA, Mr. BIDEN, Mrs. CLINTON, Mr. CORZINE, Mr. DAYTON, Mr. DODD, Mr. KENNEDY, Mr. LIEBERMAN, Mr. LEAHY, Mrs. MURRAY, Mr. SCHUMER, Mr. LAUTENBERG, and Mr. REID) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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A BILL

To initiate responsible Federal actions that will reduce the risks from global warming and climate change to the economy, the environment, and quality of life, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Global Climate Security Act of 2003''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

SEC. 2. DEFINITION OF CONVENTION.

In this Act, the term ''Convention'' means the United Nations Framework Convention on Climate Change, done at New York on May 9, 1992.

TITLE I—SENSE OF THE SENATE ON CLIMATE CHANGE ACTION

SEC. 101. SENSE OF THE SENATE ON CLIMATE CHANGE ACTION.

(a) FINDINGS.—Based on the scientific evidence and the advice and conclusions of the National Academy of Sciences, the Intergovernmental Panel on Climate Change, and the National Assessment of the Potential Consequences of Climate Variability and Change prepared under the Global Change Research Act of 1990 (15 U.S.C. 2921 et seq.), Congress finds that the many risks to the United States and the world from global warming and climate change are substantial and require immediate attention.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the President and Congress should make reducing and preparing for the risks of global climate change a higher priority;

(2) the President should reorient the recently announced climate research plan away from a focus on whether climate change is occurring toward actively achieving the commitments of the United States under the Convention;

(3) such a plan should gather adequate information on policies and strategies that the United States should embrace—

(A) to expeditiously and most cost-effectively reduce greenhouse gas emissions;

(B) to limit the adverse property, economic, food supply, ecosystem, and public health impacts of global warming and climate change;

(C) to reduce the uncertainty associated with those negative impacts and the timing of those negative impacts; and

(D) to develop an early warning system of biological and ecological indicators that will provide sufficient advance notice of catastrophic or dramatic climate system alterations so that developed and developing countries can prepare for and respond to regional, national, and local disasters;

(4) the President should resume support for, and Congress should pass, legislation that will require reductions in carbon dioxide, a major greenhouse gas, and other damaging pollutants emitted by electric power plants; and

(5) as largest emitter of greenhouse gases in the world, the United States should be the world leader in—

(A) creating and promoting emission-reducing technologies and clean energy sources; and

(B) funding domestic and international programs and projects to reduce emissions.

TITLE II—NATIONAL GREENHOUSE GAS EMISSIONS INVENTORY AND REGISTRY

SEC. 201. SHORT TITLE.

This title may be cited as the ''National Greenhouse Gas Emissions Inventory and Registry Act of 2003''.

SEC. 202. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) human activities have caused rapid increases in atmospheric concentrations of carbon dioxide and other greenhouse gases in the last century;

(2) according to the Intergovernmental Panel on Climate Change and the National Research Council—

(A) the Earth has warmed in the last century; and

(B) the majority of the observed warming is attributable to human activities;

(3) despite the fact that many uncertainties in climate science remain, the potential impacts from human-induced climate change pose a substantial risk that should be managed in a responsible manner; and

(4) to begin to manage climate change risks, public and private entities will need a comprehensive, accurate inventory, registry, and information system of the sources and quantities of United States greenhouse gas emissions.

(b) PURPOSE.—The purpose of this title is to establish a mandatory greenhouse gas inventory, registry, and information system that—

(1) is complete, consistent, transparent, and accurate;

(2) will create accurate data that can be used by public and private entities to design efficient and effective greenhouse gas emission reduction strategies;

(3) will encourage greenhouse gas emission reductions; and

(4) can be used to establish a baseline in the event of any future greenhouse gas emission reduc-

tion requirements affecting major emitters in the United States.

SEC. 203. GREENHOUSE GAS EMISSIONS.

The Clean Air Act (42 U.S.C. 1701 et seq.) is amended by adding at the end the following:

"TITLE VII—GREENHOUSE GAS EMISSIONS

"SEC. 701. DEFINITIONS.

''In this title:

''(1) COVERED ENTITY.—The term 'covered entity' means an entity that emits more than a threshold quantity of greenhouse gas emissions.

''(2) DIRECT EMISSIONS.—The term 'direct emissions' means greenhouse gas emissions from a source that is owned or controlled by an entity.

''(3) ENTITY.—The term 'entity' includes a firm, a corporation, an association, a partnership, and a Federal agency.

''(4) GREENHOUSE GAS.—The term 'greenhouse gas' means—

''(A) carbon dioxide;

''(B) methane;

''(C) nitrous oxide;

''(D) hydrofluorocarbons;

''(E) perfluorocarbons; and

''(F) sulfur hexafluoride.

''(5) GREENHOUSE GAS EMISSIONS.—The term 'greenhouse gas emissions' means emissions of a greenhouse gas, including—

''(A) stationary combustion source emissions, which are emitted as a result of combustion of fuels in stationary equipment such as boilers, furnaces, burners, turbines, heaters, incinerators, engines, flares, and other similar sources;

''(B) process emissions, which consist of emissions from chemical or physical processes other than combustion;

''(C) fugitive emissions, which consist of intentional and unintentional emissions from—

''(i) equipment leaks such as joints, seals, packing, and gaskets; and

''(ii) piles, pits, cooling towers, and other similar sources; and

''(D) mobile source emissions, which are emitted as a result of combustion of fuels in transportation equipment such as automobiles, trucks, trains, airplanes, and vessels.

''(6) GREENHOUSE GAS EMISSIONS RECORD.—The term 'greenhouse gas emissions record' means

all of the historical greenhouse gas emissions and project reduction data submitted by an entity under this title, including any adjustments to such data under section 704(c).

''(7) GREENHOUSE GAS REPORT.—The term 'greenhouse gas report' means an annual list of the greenhouse gas emissions of an entity and the sources of those emissions.

''(8) INDIRECT EMISSIONS.—The term 'indirect emissions' means greenhouse gas emissions that are a consequence of the activities of an entity but that are emitted from sources owned or controlled by another entity.

''(9) NATIONAL GREENHOUSE GAS EMISSIONS INFORMATION SYSTEM.—The term 'national greenhouse gas emissions information system' means the information system established under section 702(a).

''(10) NATIONAL GREENHOUSE GAS EMISSIONS INVENTORY.—The term 'national greenhouse gas emissions inventory' means the national inventory of greenhouse gas emissions established under section 705.

''(11) NATIONAL GREENHOUSE GAS REGISTRY.—The term 'national greenhouse gas registry'

means the national greenhouse gas registry established under section 703(a).

''(12) PROJECT REDUCTION.—The term 'project reduction' means—

''(A) a greenhouse gas emission reduction achieved by carrying out a greenhouse gas emission reduction project; and

''(B) sequestration achieved by carrying out a sequestration project.

''(13) REPORTING ENTITY.—The term 'reporting entity' means an entity that reports to the Administrator under subsection (a) or (b) of section 704.

''(14) SEQUESTRATION.—The term 'sequestration' means the long-term separation, isolation, or removal of greenhouse gases from the atmosphere, including through a biological or geologic method such as reforestation or an underground reservoir.

''(15) THRESHOLD QUANTITY.—The term 'threshold quantity' means a threshold quantity for mandatory greenhouse gas reporting established by the Administrator under section 704(a)(3).

''(16) VERIFICATION.—The term 'verification' means the objective and independent assessment of whether a greenhouse gas report submitted by a re-

porting entity accurately reflects the greenhouse gas impact of the reporting entity.

"SEC. 702. NATIONAL GREENHOUSE GAS EMISSIONS INFORMATION SYSTEM.

"(a) ESTABLISHMENT.—In consultation with the Secretary of Commerce, the Secretary of Agriculture, the Secretary of Energy, States, the private sector, and nongovernmental organizations concerned with establishing standards for reporting of greenhouse gas emissions, the Administrator shall establish and administer a national greenhouse gas emissions information system to collect information reported under section 704(a).

"(b) SUBMISSION TO CONGRESS OF DRAFT DESIGN.—Not later than 180 days after the date of enactment of this title, the Administrator shall submit to Congress a draft design of the national greenhouse gas emissions information system.

"(c) AVAILABILITY OF DATA TO THE PUBLIC.—The Administrator shall publish all information in the national greenhouse gas emissions information system through the website of the Environmental Protection Agency, except in any case in which publishing the information would reveal a trade secret or disclose information vital to national security.

''(d) RELATIONSHIP TO OTHER GREENHOUSE GAS REGISTRIES.—To the extent practicable, the Administrator shall ensure coordination between the national greenhouse gas emissions information system and existing and developing Federal, regional, and State greenhouse gas registries.

''(e) INTEGRATION WITH OTHER ENVIRONMENTAL INFORMATION.—To the extent practicable, the Administrator shall integrate information in the national greenhouse gas emissions information system with other environmental information managed by the Administrator.

''SEC. 703. NATIONAL GREENHOUSE GAS REGISTRY.

''(a) ESTABLISHMENT.—In consultation with the Secretary of Commerce, the Secretary of Agriculture, the Secretary of Energy, States, the private sector, and nongovernmental organizations concerned with establishing standards for reporting of greenhouse gas emissions, the Administrator shall establish and administer a national greenhouse gas registry to collect information reported under section 704(b).

''(b) AVAILABILITY OF DATA TO THE PUBLIC.—The Administrator shall publish all information in the national greenhouse gas registry through the website of the Environmental Protection Agency, except in any case in which

publishing the information would reveal a trade secret or disclose information vital to national security.

''(c) RELATIONSHIP TO OTHER GREENHOUSE GAS REGISTRIES.—To the maximum extent feasible and practicable, the Administrator shall ensure coordination between the national greenhouse gas registry and existing and developing Federal, regional, and State greenhouse gas registries.

''(d) INTEGRATION WITH OTHER ENVIRONMENTAL INFORMATION.—To the maximum extent practicable, the Administrator shall integrate all information in the national greenhouse gas registry with other environmental information collected by the Administrator.

''SEC. 704. REPORTING.

''(a) MANDATORY REPORTING TO NATIONAL GREENHOUSE GAS EMISSIONS INFORMATION SYSTEM.—

''(1) INITIAL REPORTING REQUIREMENTS.—

''(A) IN GENERAL.—Not later than April 30, 2004, in accordance with this paragraph and the regulations promulgated under section 706(e)(1), each covered entity shall submit to the Administrator, for inclusion in the national greenhouse gas emissions information system, the greenhouse gas report of the covered entity with respect to—

''(i) calendar year 2003; and

''(ii) each greenhouse gas emitted by the covered entity in an amount that exceeds the applicable threshold quantity.

''(B) REQUIRED ELEMENTS.—Each greenhouse gas report submitted under subparagraph (A)—

''(i) shall include estimates of direct stationary combustion source emissions;

''(ii) shall express greenhouse gas emissions in metric tons of the carbon dioxide equivalent of each greenhouse gas emitted;

''(iii) shall specify the sources of greenhouse gas emissions that are included in the greenhouse gas report;

''(iv) shall be reported on an entity-wide basis and on a facility-wide basis; and

''(v) to the maximum extent practicable, shall be reported electronically to the Administrator in such form as the Administrator may require.

''(C) METHOD OF REPORTING OF ENTITY-WIDE EMISSIONS.—Under subparagraph (B)(iv), entity-wide emissions shall be reported

on the bases of financial control and equity share in a manner consistent with the financial reporting practices of the covered entity.

''(2) FINAL REPORTING REQUIREMENTS.—

''(A) IN GENERAL.—Not later than April 30, 2005, and each April 30 thereafter (except as provided in subparagraph (B)(vii)), in accordance with this paragraph and the regulations promulgated under section 706(e)(2), each covered entity shall submit to the Administrator the greenhouse gas report of the covered entity with respect to—

''(i) the preceding calendar year; and

''(ii) each greenhouse gas emitted by the covered entity in an amount that exceeds the applicable threshold quantity.

''(B) REQUIRED ELEMENTS.—Each greenhouse gas report submitted under subparagraph (A) shall include—

''(i) the required elements specified in paragraph (1);

''(ii) estimates of indirect emissions from imported electricity, heat, and steam;

''(iii) estimates of process emissions described in section 701(5)(B);

"(iv) estimates of fugitive emissions described in section 701(5)(C);

"(v) estimates of mobile source emissions described in section 701(5)(D), in such form as the Administrator may require;

"(vi) in the case of a covered entity that is a forest product entity, estimates of direct stationary source emissions, including emissions resulting from combustion of biomass;

"(vii) in the case of a covered entity that owns more than 250,000 acres of timberland, estimates, by State, of the timber and carbon stocks of the covered entity, which estimates shall be updated every 5 years; and

"(viii) a description of any adjustments to the greenhouse gas emissions record of the covered entity under subsection (c).

"(3) ESTABLISHMENT OF THRESHOLD QUANTITIES.—For the purpose of reporting under this subsection, the Administrator shall establish threshold quantities of emissions for each combination of

a source and a greenhouse gas that is subject to the mandatory reporting requirements under this subsection.

''(b) VOLUNTARY REPORTING TO NATIONAL GREENHOUSE GAS REGISTRY.—

''(1) IN GENERAL.—Not later than April 30, 2004, and each April 30 thereafter, in accordance with this subsection and the regulations promulgated under section 706(f), an entity may voluntarily report to the Administrator, for inclusion in the national greenhouse gas registry, with respect to the preceding calendar year and any greenhouse gas emitted by the entity—

''(A) project reductions;

''(B) transfers of project reductions to and from any other entity;

''(C) project reductions and transfers of project reductions outside the United States;

''(D) indirect emissions that are not required to be reported under subsection (a)(2)(B)(ii) (such as product transport, waste disposal, product substitution, travel, and employee commuting); and

''(E) product use phase emissions.

''(2) TYPES OF ACTIVITIES.—Under paragraph (1), an entity may report activities that reduce greenhouse gas emissions or sequester a greenhouse gas, including—

''(A) fuel switching;

''(B) energy efficiency improvements;

''(C) use of renewable energy;

''(D) use of combined heat and power systems;

''(E) management of cropland, grassland, and grazing land;

''(F) forestry activities that increase carbon stocks;

''(G) carbon capture and storage;

''(H) methane recovery; and

''(I) carbon offset investments.

''(c) ADJUSTMENT FACTORS.—

''(1) IN GENERAL.—Each reporting entity shall adjust the greenhouse gas emissions record of the reporting entity in accordance with this subsection.

''(2) SIGNIFICANT STRUCTURAL CHANGES.—

''(A) IN GENERAL.—A reporting entity that experiences a significant structural change in the organization of the reporting entity (such as a merger, major acquisition, or divestiture)

shall adjust its greenhouse gas emissions record for preceding years so as to maintain year-to-year comparability.

''(B) MID-YEAR CHANGES.—In the case of a reporting entity that experiences a significant structural change described in subparagraph (A) during the middle of a year, the greenhouse gas emissions record of the reporting entity for preceding years shall be adjusted on a pro-rata basis.

''(3) CALCULATION CHANGES AND ERRORS.—The greenhouse gas emissions record of a reporting entity for preceding years shall be adjusted for—

''(A) changes in calculation methodologies; or

''(B) errors that significantly affect the quantity of greenhouse gases in the greenhouse gas emissions record.

''(4) ORGANIZATIONAL GROWTH OR DECLINE.—The greenhouse gas emissions record of a reporting entity for preceding years shall not be adjusted for any organizational growth or decline of the reporting entity such as—

''(A) an increase or decrease in production output;

''(B) a change in product mix;

''(C) a plant closure; and

''(D) the opening of a new plant.

''(5) EXPLANATIONS OF ADJUSTMENTS.—A reporting entity shall explain, in a statement included in the greenhouse gas report of the reporting entity for a year—

''(A) any significant adjustment in the greenhouse gas emissions record of the reporting entity; and

''(B) any significant change between the greenhouse gas emissions record for the preceding year and the greenhouse gas emissions reported for the current year.

''(d) QUANTIFICATION AND VERIFICATION PROTOCOLS AND TOOLS.—

''(1) IN GENERAL.—The Administrator and the Secretary of Commerce, the Secretary of Agriculture, and the Secretary of Energy shall jointly work with the States, the private sector, and nongovernmental organizations to develop—

''(A) protocols for quantification and verification of greenhouse gas emissions;

''(B) electronic methods for quantification and reporting of greenhouse gas emissions; and

"(C) greenhouse gas accounting and reporting standards.

"(2) BEST PRACTICES.—The protocols and methods developed under paragraph (1) shall conform, to the maximum extent practicable, to the best practice protocols that have the greatest support of experts in the field.

"(3) INCORPORATION INTO REGULATIONS.—The Administrator shall incorporate the protocols developed under paragraph (1)(A) into the regulations promulgated under section 706.

"(4) OUTREACH PROGRAM.—The Administrator, the Secretary of Commerce, the Secretary of Agriculture, and the Secretary of Energy shall jointly conduct an outreach program to provide information to all reporting entities and the public on the protocols and methods developed under this subsection.

"(e) VERIFICATION.—

"(1) PROVISION OF INFORMATION BY REPORTING ENTITIES.—Each reporting entity shall provide information sufficient for the Administrator to verify, in accordance with greenhouse gas accounting and reporting standards developed under subsection

(d)(1)(C), that the greenhouse gas report of the reporting entity—

"(A) has been accurately reported; and

"(B) in the case of each project reduction, represents actual reductions in greenhouse gas emissions or actual increases in net sequestration, as applicable.

"(2) INDEPENDENT THIRD-PARTY VERIFICATION.—A reporting entity may—

"(A) obtain independent third-party verification; and

"(B) present the results of the third-party verification to the Administrator for consideration by the Administrator in carrying out paragraph (1).

"(f) ENFORCEMENT.—The Administrator may bring a civil action in United States district court against a covered entity that fails to comply with subsection (a), or a regulation promulgated under section 706(e), to impose a civil penalty of not more than $25,000 for each day that the failure to comply continues.

"SEC. 705. NATIONAL GREENHOUSE GAS EMISSIONS INVENTORY.

"Not later than April 30, 2003, and each April 30 thereafter, the Administrator shall publish a national greenhouse gas emissions inventory that includes—

"(1) comprehensive estimates of the quantity of United States greenhouse gas emissions for the second preceding calendar year, including—

"(A) for each greenhouse gas, an estimate of the quantity of emissions contributed by each key source category;

"(B) a detailed analysis of trends in the quantity, composition, and sources of United States greenhouse gas emissions; and

"(C) a detailed explanation of the methodology used in developing the national greenhouse gas emissions inventory; and

"(2) a detailed analysis of the information reported to the national greenhouse gas emissions information system and the national greenhouse gas registry.

"SEC. 706. REGULATIONS.

"(a) IN GENERAL.—The Administrator may promulgate such regulations as are necessary to carry out this title.

''(b) BEST PRACTICES.—In developing regulations under this section, the Administrator shall seek to leverage leading protocols for the measurement, accounting, reporting, and verification of greenhouse gas emissions.

''(c) NATIONAL GREENHOUSE GAS EMISSIONS INFORMATION SYSTEM.—Not later than January 31, 2004, the Administrator shall promulgate such regulations as are necessary to establish the national greenhouse gas emissions information system.

''(d) NATIONAL GREENHOUSE GAS REGISTRY.—Not later than January 31, 2004, the Administrator shall promulgate such regulations as are necessary to establish the national greenhouse gas registry.

''(e) MANDATORY REPORTING REQUIREMENTS.—

''(1) INITIAL REPORTING REQUIREMENTS.—Not later than January 31, 2004, the Administrator shall promulgate such regulations as are necessary to implement the initial mandatory reporting requirements under section 704(a)(1).

''(2) FINAL REPORTING REQUIREMENTS.—Not later than January 31, 2005, the Administrator shall promulgate such regulations as are necessary to implement the final mandatory reporting requirements under section 704(a)(2).

''(f) VOLUNTARY REPORTING PROVISIONS.—Not later than January 31, 2004, the Administrator shall promulgate such regulations and issue such guidance as are necessary to implement the voluntary reporting provisions under section 704(b).

''(g) ADJUSTMENT FACTORS.—Not later than January 31, 2004, the Administrator shall promulgate such regulations as are necessary to implement the adjustment factors under section 704(c).''.

TITLE III—UNITED STATES RE-ENGAGEMENT IN INTERNATIONAL EFFORTS TO REDUCE GREENHOUSE GAS EMISSIONS

SEC. 301. UNITED STATES RE-ENGAGEMENT IN INTERNATIONAL EFFORTS TO REDUCE GREENHOUSE GAS EMISSIONS.

(a) FINDINGS.—Congress finds that—

(1) evidence continues to mount that increases in atmospheric concentrations of manmade greenhouse gases are contributing to global climate change;

(2) the Intergovernmental Panel on Climate Change has concluded that—

(A) ''there is new and stronger evidence that most of the warming observed over the last 50 years is attributable to human activities''; and

(B) the Earth's average temperature can be expected to rise between 2.5 and 10.4 degrees Fahrenheit in this century;

(3) in 2001, the National Academy of Sciences confirmed the findings of the Panel, stating that—

(A) ''the IPCC's conclusion that most of the observed warming of the last 50 years is likely to have been due to the increase of greenhouse gas concentrations accurately reflects the current thinking of the scientific community on this issue''; and

(B) ''there is general agreement that the observed warming is real and particularly strong within the past twenty years'';

(4) the Panel has stated that, in the past 40 years, the global average sea level has risen, the heat content of the ocean has increased, and snow cover and ice extent have decreased, resulting in the threat of inundation of low-lying island countries and coastal regions throughout the world;

(5) in October 2000, a United States Government report found that global climate change may harm the United States by—

(A) altering crop yields;

(B) causing entire ecosystems to disappear;

(C) accelerating the rise of sea levels; and

(D) increasing the spread of tropical infectious diseases;

(6) in 1992, the United States ratified the Convention, the ultimate objective of which is the ''stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner'';

(7) the Convention stated in part that the parties to the Convention are to implement policies ''with the aim of returning . . . to their 1990 levels these anthropogenic emissions of carbon dioxide and other greenhouse gases'' under the principle that ''[p]olicies and measures . . . should be appropriate

for the specific conditions of each Party and should be integrated with national development programmes, taking into account that economic development is essential for adopting measures to address climate change'';

(8) there is a shared international responsibility to address the problem of climate change, since—

(A) industrial countries are the largest historic and current emitters of greenhouse gases; and

(B) the emissions of developing countries will significantly increase in the future;

(9) the Convention further stated that—

(A) ''developed country Parties should take the lead in combating climate change and the adverse effects thereof'', as those countries are the largest historic and current emitters of greenhouse gases; and

(B) ''steps required to understand and address climate change will be environmentally, socially and economically most effective if they are based on relevant scientific, technical and economic considerations and continually re-evaluated in the light of new findings in these areas'';

(10)(A) Senate Resolution 98 of the 105th Congress (which stated that developing countries must also be included in any future, binding climate change treaty and that such a treaty must not result in serious harm to the United States economy) should not cause the United States to abandon its shared responsibility to help reduce the risks and impacts of climate change; and

(B) future international efforts in this regard should focus on recognizing the equitable responsibilities for addressing climate change by all countries, including commitments by the largest developing country emitters in a future, binding climate change treaty;

(11) it is the position of the United States that the United States will not interfere with the plans of any country that chooses to ratify and implement the Kyoto Protocol to the Convention;

(12) American businesses need to know how governments worldwide will address the risks of climate change; and

(13) the United States benefits from investments in the research, development, and deployment of a range of clean energy and efficiency technologies that can—

(A) reduce the risks of climate change and the impacts of climate change; and

(B) make the United States economy more productive, bolster energy security, create jobs, and protect the environment.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the United States should demonstrate international leadership and responsibility in reducing the health, environmental, and economic risks posed by climate change by—

(1) taking responsible action to ensure significant and meaningful reductions in emissions of greenhouse gases from all sectors of the economy;

(2) creating flexible international and domestic mechanisms (including joint implementation, technology deployment, tradable credits for emissions reductions, and carbon sequestration projects) that will reduce, avoid, and sequester greenhouse gas emissions;

(3) complying with the commitments of the United States, including funding obligations, under the Convention; and

(4) participating in international negotiations, including putting forward a proposal to the Conference of the Parties to the Convention, with the

objective of securing United States participation in a future binding climate change treaty in a manner that—

(A) is consistent with the environmental objectives of the Convention;

(B) protects the economic interests of the United States; and

(C) recognizes the shared international responsibility for addressing climate change, including participation by developing countries.

TITLE IV—RIO AGREEMENT COMMISSION

SEC. 401. SHORT TITLE.

This title may be cited as the ''Rio Agreement Commission Establishment Act''.

SEC. 402. FINDINGS.

Congress finds that—

(1) strong evidence of human-induced global climate change and warming continues to accumulate;

(2) an overwhelming majority of the world's scientists believe that anthropogenic sources of greenhouse gases are contributing to increasing concentrations of those gases in the atmosphere;

(3) in 1992, the United States Senate ratified the Convention, which committed the country to

aiming to return greenhouse gas emissions in the United States, individually or jointly with other countries, to 1990 levels by 2000;

(4) the United States is now more than 13 percent above that target;

(5) the United States should exercise strong leadership and expeditiously take reasonable and cost-effective steps to meet its commitment under the Convention;

(6) the establishment of an independent commission to advise Congress and the Federal Government would—

(A) minimize the effects of partisan politics and help surmount institutional barriers relating to meeting that commitment; and

(B) allow the United States to make progress on meeting that commitment; and

(7) the potential damage to the United States economy and national interests from the inability of critical infrastructure, food production, or natural systems to adapt quickly enough to climate variability or global warming warrants taking action now rather than waiting until the costs of that damage are exorbitant.

SEC. 403. DEFINITIONS.

In this title:

(1) COMMISSION.—The term ''Commission'' means the Commission to Implement the Rio Agreement established by section 404.

(2) COUNCIL.—The term ''Council'' means the Council on Environmental Quality.

(3) SESSION DAY.—The term ''session day'' means a day on which both Houses of Congress are in session.

SEC. 404. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the ''Commission to Implement the Rio Agreement''.

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of 11 members, of whom—

(A) 3 members shall be appointed by the President;

(B) subject to paragraph (4), 4 members shall be appointed by the President pro tempore of the Senate, on the recommendation of the majority and minority leaders of the Senate; and

(C) subject to paragraph (4), 4 members shall be appointed by the Speaker of the House

of Representatives, in consultation with the minority leader of the House of Representatives.

(2) EXPERTISE.—A member of the Commission shall be an expert in a field related to—

(A) the science of assessing climate change;

(B) the effects of climate change on the United States; or

(C) the technological and economic tools necessary to reduce net greenhouse gas emissions.

(3) PROHIBITION ON FEDERAL GOVERNMENT EMPLOYMENT.—A member of the Commission shall not be an employee of the Federal Government.

(4) APPOINTMENTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a member of the Commission shall be appointed by and with the advice and consent of the Senate.

(B) ALTERNATIVE APPOINTMENT.—If the appointment and confirmation by the Senate of at least 7 members of the Commission is not completed by the date that is 45 session days after the date of enactment of this Act, the President shall, on that date, arrange for the

National Academy of Sciences or the National Science Foundation to establish and operate the Commission and fulfill the statutory mandate of the Commission.

(c) TERM; VACANCIES.—

(1) TERM.—A member shall be appointed for the life of the Commission.

(2) VACANCIES.—A vacancy on the Commission—

(A) shall not affect the powers of the Commission; and

(B) shall be filled in the same manner as the original appointment was made.

(d) INITIAL MEETING.—Not later than 30 days after the date on which 7 members of the Commission have been appointed under subsection (b) or the Commission is otherwise established under subsection (b)(4)(B), the Commission shall hold the initial meeting of the Commission.

(e) MEETINGS.—The Commission shall meet at the call of the Chairperson.

(f) QUORUM.—Seven members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall select a Chairperson and Vice Chairperson from among the members of the Commission.

SEC. 405. DUTIES.

(a) REVIEW AND REPORT.—

(1) REVIEW.—

(A) IN GENERAL.—The Commission shall review the measures that are necessary to reduce net greenhouse gas emissions in the United States, and to the maximum extent possible in the world, below the levels that would otherwise result in a doubling of concentrations of greenhouse gases in the atmosphere from 1870 levels.

(B) EMPHASIS.—The review under subparagraph (A) shall emphasize the need for those countries, like the United States, that have contributed and will contribute most greatly to the elevated concentrations described in that subparagraph to take the greatest and swiftest steps to reduce emissions in the near term to avert a doubling described in that subparagraph.

(C) TYPES OF MEASURES.—The measures to be reviewed under subparagraph (A) shall in-

clude participation in any global or domestic carbon trading system or other international institution established to achieve global carbon emission reductions.

(2) RECOMMENDATIONS.—The Commission shall develop recommendations concerning—

(A) the measures described in paragraph (1)(A) that the Commission determines to be appropriate for implementation, giving preference to cost-effective and technologically feasible measures that will—

(i) produce measurable net reductions in emissions described in paragraph (1)(A); and

(ii) minimize any adverse impacts on the economy of the United States; and

(B) the text of legislation that would be necessary to effectuate the measures.

(3) REPORT.—

(A) IN GENERAL.—Not later than June 1, 2004, the Commission shall submit to Congress a report that contains—

(i) a detailed statement of the findings and conclusions of the Commission; and

(ii) the recommendations of the Commission for such legislation (in specific legislative language) and administrative actions as the Commission considers appropriate.

(B) APPROVAL.—The report under subparagraph (A) shall be approved by the Commission by a majority vote of the members that have been appointed under section 404(b) as of the date of the vote.

(b) BUDGET.—

(1) SUBMISSION TO CONGRESS.—Not later than 30 days after the date of enactment of this Act, the Commission shall submit to Congress and the President a proposed budget for the Commission.

(2) FUNDING.—The President shall provide, from funds available to Federal agencies, such sums as are necessary to carry out the duties of the Commission until the date on which funds are made available under section 409.

SEC. 406. POWERS.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this title.

(b) INFORMATION FROM FEDERAL AGENCIES.—

(1) IN GENERAL.—The Commission may secure directly from a Federal agency such information as the Commission considers necessary to carry out this title.

(2) PROVISION OF INFORMATION.—On request of the Chairperson of the Commission, the head of the agency shall provide the information to the Commission.

(3) COORDINATION BY COUNCIL ON ENVIRONMENTAL QUALITY.—The Chairman of the Council on Environmental Quality shall coordinate with the Commission in ensuring that Federal agencies are responsive in assisting the Commission in carrying out its duties under this title.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other agencies of the Federal Government.

(d) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

SEC. 407. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—A member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed

for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(b) TRAVEL EXPENSES.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

(c) STAFF.—

(1) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws (including regulations), appoint and terminate an executive director and such other additional personnel as are necessary to enable the Commission to perform the duties of the Commission.

(2) CONFIRMATION OF EXECUTIVE DIRECTOR.—The employment of an executive director shall be subject to confirmation by the Commission.

(3) COMPENSATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Chairperson of the Commission may fix the compensation of the execu-

tive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

(B) MAXIMUM RATE OF PAY.—The rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(d) DETAIL OF FEDERAL GOVERNMENT EMPLOYEES.—

(1) IN GENERAL.—An employee of the Federal Government may be detailed to the Commission without reimbursement.

(2) CIVIL SERVICE STATUS.—The detail of the employee shall be without interruption or loss of civil service status or privilege.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for

level V of the Executive Schedule under section 5316 of that title.

SEC. 408. PLAN FOR MINIMIZING IMPACTS OF CLIMATE CHANGE.

(a) IN GENERAL.—Not later than October 1, 2004, the Council on Environmental Quality shall develop and submit to Congress a plan for minimizing the risks associated with global warming and climate change to public health and safety, community infrastructure, private property, biological diversity, ecosystems, and the food supply, as outlined in the national assessment submitted under section 501.

(b) REQUIRED ELEMENTS.—The plan shall—

(1) include specific legislative recommendations and program funding levels; and

(2) emphasize strategies that would not significantly diminish the quality of life in the United States.

(c) CONSULTATION.—In developing the plan, the Council shall consult with—

(1) the Committee on Earth and Environmental Sciences established under section 102 of the Global Change Research Act of 1990 (15 U.S.C. 2932);

(2) participants in the United States Global Change Research Program established under section 103 of that Act (15 U.S.C. 2933);

(3) State, local, and tribal governments;

(4) other appropriate Federal agencies; and

(5) members of the public.

SEC. 409. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission and the Council such sums as are necessary to carry out this title for fiscal years 2003 through 2005, to remain available until expended.

SEC. 410. TERMINATION OF COMMISSION.

The Commission shall terminate 90 days after the date on which the Commission submits the report of the Commission under section 405(a)(3).

TITLE V—MISCELLANEOUS

SEC. 501. NATIONAL ASSESSMENT OF CLIMATE CHANGE IMPACTS.

(a) IN GENERAL.—Not later than October 1, 2004, and the end of each 4-year period thereafter, the President shall submit to Congress an assessment of the potential negative economic, public health, and environmental impacts on the United States associated with global warming and climate change.

(b) REQUIRED ELEMENTS.—The assessment under subsection (a) shall—

(1) project the possible and the likely effects on the various regions of the United States and sectors of the economy in 2020, 2050, and 2075, using the most probable atmospheric concentrations of greenhouse gases based on existing emission trends; and

(2) address the possible political, economic, and environmental concerns and challenges that may confront the United States because of negative impacts associated with global warming and climate change in the United States elsewhere in the world.

(c) CONSULTATION.—The assessment shall be conducted in broad consultation with the States, local governments, academic institutions, industry, investors, insurers, environmental organizations, planners, infrastructure experts, the public health community, and other relevant entities.

SEC. 502. REVIEW OF EMISSION REDUCTION POLICIES AND MEASURES.

(a) PUBLICATION.—Not later than March 1, 2004, and annually thereafter, the President shall publish, in accordance with the commitment of the United States under the Convention, a description of each policy, program, and other measure that the United States has adopted or im-

plemented in the previous year that is aimed at reducing greenhouse gas emissions to 1990 levels in the United States.

(b) REQUIRED ELEMENTS.—The publication under subsection (a) shall include—

(1)(A) an identification of each Federal program designed to result in reductions in greenhouse gas emissions; and

(B)(i) the level of funding for the Federal program for the current fiscal year; and

(ii) the level of funding requested for the Federal program for the following fiscal year in the budget of the United States Government submitted by the President for the fiscal year under section 1105 of title 31, United States Code; and

(2) an evaluation of the ability of each policy, program, and other measure referred to in subsection (a) to reduce effectively greenhouse gas emissions in the short term and the long term.

SEC. 503. CLIMATE CHANGE IN ENVIRONMENTAL IMPACT STATEMENTS.

In any case in which a Federal agency prepares an environmental impact statement or similar analysis required under the National Environmental Policy Act of

1969 (42 U.S.C. 4321 et seq.), the Federal agency shall consider and evaluate—

(1) the impact that the Federal action or project necessitating the statement or analysis will have in terms of net changes in greenhouse gas emissions; and

(2) how climate changes may affect the action or project in the short term and the long term.

SEC. 504. FEDERAL GOVERNMENT GREENHOUSE GAS EMISSIONS GOAL.

(a) ACTIONS.—Not later than January 1, 2004, the President shall take such actions as are necessary, including preparing and submitting to Congress any necessary statutory changes, to reduce the net greenhouse gas emissions of the Federal Government to 1990 levels by 2013, including steps to procure—

(1) only highly energy-efficient products, services, and facilities;

(2) electricity generated from renewable sources; and

(3) alternative fuel vehicles.

(b) REPORT.—The President shall direct the appropriate Federal agencies to study and submit to Congress, not later than July 1, 2005, a report on the most cost-effective policy options through which the Federal Govern-

ment could reduce the net greenhouse gas emissions of the Federal Government to zero by 2025.

SEC. 505. CORPORATE ENVIRONMENTAL DISCLOSURE OF CLIMATE CHANGE RISKS.

(a) REGULATIONS BY SECURITIES AND EXCHANGE COMMISSION.—Not later than 2 years after the date of enactment of this Act, the Securities and Exchange Commission should promulgate regulations for the purposes of section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) directing each issuer of securities under that Act to inform securities investors of the risks relating to—

(1) the financial exposure of the issuer due to the net greenhouse gas emissions of the issuer; and

(2) the potential economic impacts of global warming on the interests of the issuer.

(b) UNIFORM FORMAT FOR DISCLOSURE.—In carrying out subsection (a), the Securities and Exchange Commission should enter into an agreement with the Financial Accountings Standards Board, or another appropriate voluntary standards setting organization, to develop a uniform format for disclosing to securities investors information on the risks described in subsection (a).

(c) INTERIM INTERPRETIVE RELEASE.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Securities and

Exchange Commission should issue an interpretive release clarifying that under items 101 and 303 of Regulation S–K (as in effect on the date of enactment of this Act)—

(A) the commitments of the United States to reduce emissions of greenhouse gases under the Convention are considered to be a material effect; and

(B) global warming constitutes a known trend.

(2) PERIOD OF EFFECTIVENESS.—The interpretive release issued under paragraph (1) should remain in effect until the effective date of the final regulations promulgated under subsection (a).

SEC. 506. METHODOLOGY FOR DETERMINING GREENHOUSE GAS EMISSIONS FROM IMPORTS; REVIEW OF TRADE AND INNOVATION EFFECTS.

(a) METHODOLOGY.—

(1) IN GENERAL.—Not later than January 1, 2005, the Secretary of Commerce, in consultation with the United States Trade Representative, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Energy, and the Administrator of the Environmental Protection Agency, shall develop a methodology for determining the green-

house gases emitted in the production and delivery of goods and services imported into the United States.

(2) LEVEL OF SPECIFICITY.—The methodology developed under paragraph (1) shall be specific enough to provide a basis for the imposition of tariffs or import fees in the event that the United States adopts a binding commitment to reduce greenhouse gas emissions and an exporting country does not adopt such a similar commitment, thereby creating a trade disadvantage for United States entities.

(b) REVIEW.—Not later than June 1, 2004, and annually thereafter, the Secretary of Commerce, in consultation with the United States Trade Representative, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Energy, and the Administrator of the Environmental Protection Agency, shall review and report to Congress on the trade, economic, and technology innovation effects of any failure on the part of the United States to adopt policies and measures that require or result in reductions in total greenhouse gas emissions in the United States consistent with the goals for the United States under the Convention.

SEC. 507. GRANTS FOR REDUCTION OF GREENHOUSE GAS EMISSIONS.

(a) IN GENERAL.—The President, acting through the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Energy, and the Administrator of the Environmental Protection Agency, may provide grants to States or local governments for the purpose of—

(1) preparing, completing, or operating greenhouse gas data collection, inventory, or trading systems;

(2) implementing greenhouse gas emission reduction or sequestration projects, including programs conducted jointly with industry or nonprofit organizations; and

(3) conducting research, long-term planning, and modeling efforts intended to reduce net greenhouse gas emissions in the United States through sustainable economic development.

(b) SET ASIDE FOR MOST EFFECTIVE PROJECTS.—For each fiscal year, 50 percent of the grant funds awarded under subsection (a) shall be awarded competitively for projects that will reduce net greenhouse gas emissions—

(1) in the greatest quantity;

(2) most rapidly; and

(3) with the greatest degree of permanence.

(c) ANNUAL REPORTING BY GRANT RECIPIENTS.—As a condition of receipt of a grant under this section, each recipient shall submit to the Federal agency that provided the grant an annual report on the extent to which the emission reductions that were anticipated in the application for the grant have occurred.

(d) ANNUAL SUMMARY.—The President shall annually compile and publish in the Federal Register a summary of—

(1) the grants made under this section; and

(2) the net emission reductions due to the activities assisted with the grants.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000,000 for each fiscal year.

SEC. 508. REPORT ON MODIFICATIONS TO REVENUE STATUTES.

Not later than January 1, 2004, the Secretary of the Treasury, in consultation with the heads of other appropriate Federal agencies, shall submit to Congress a report making recommendations for modifications to the Internal Revenue Code and other statutes affecting revenue that are expected to result in the reduction of net greenhouse gas emissions in the United States below the levels that

would otherwise result in a doubling of concentrations of greenhouse gases in the atmosphere from 1870 levels.

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