

COMPARISON OF INTERNATIONAL PROVISIONS IN CLIMATE AND ENERGY LEGISLATION IN THE 111TH CONGRESS

The following table compares the international provisions detailed in the [American Clean Energy and Security Act](#) (Waxman-Markey), the International Climate Change Investment Act (Kerry), and the [American Power Act](#) (Kerry-Lieberman).

Program Category	Design Element	American Clean Energy and Security Act (H.R. 2454, as passed by the House)	International Climate Change Investment Act of 2009 (S.2835, as introduced)	American Power Act (discussion draft, 5/12/2010)
International Negotiations	Findings and Purposes	<ul style="list-style-type: none"> • Calls for constructive engagement within the United Nations Framework Convention on Climate Change (UNFCCC) and for all major emitting countries to contribute equitably to global greenhouse gas (GHG) reductions • Includes a Sense of Congress encouraging the development of a global framework for regulating GHG emissions from civil aircraft 	<ul style="list-style-type: none"> • Recognizes the strengths of the UNFCCC as a primary forum for agreement on global climate change • Recognizes Article 4 of the UNFCCC calling for developed countries to provide assistance to developing countries • Requires the Secretary of State to submit annual report to Congress describing the progress made toward reaching an international agreement in which: <ul style="list-style-type: none"> ○ Developed countries commit to an economy-wide emission reduction or limitation; ○ Major emerging economies commit to actions which result in substantial, quantified reductions from business as usual(BAU) consistent with achieving 2050 global emission reductions goals; ○ Developed countries and major emerging economies commit to participate in robust measurement, reporting and verification procedures relating to their internationally registered domestic actions; and, ○ There is a mechanism through which parties to the agreement can address cases of non-compliance with obligations 	<ul style="list-style-type: none"> • Calls on the United States to lead the global community in combating the threat of climate change and reach a robust international agreement under the UNFCCC or a successor agreement; states that it is critical to engage other countries in an international effort to mitigate climate change • States it is U.S. policy to establish binding agreements, including sectoral agreements, committing all major GHG-emitting nations to contribute equitably to the reduction of GHG emissions. <ul style="list-style-type: none"> ○ Requires the President to inform trading partners of this policy, request appropriate action to limit GHG emissions from partners, and inform partners of the potential applicability of international reserve allowance requirements (described later) • Includes a Sense of the Senate encouraging the development of a global framework for regulating GHG emissions from civil aircraft
Relation to Domestic Emissions Reduction	Linking of emission trading systems	<ul style="list-style-type: none"> • Allows unlimited use of allowances from approved, comparable national or sectoral trading systems (i.e. scheme that applies an absolute tonnage limit) for compliance • The Administrator of the EPA may, by rule, change the percentage of a firm's compliance obligation that can be met with international allowances • A covered entity may hold an international emission allowance in lieu of an emission allowance 	<ul style="list-style-type: none"> • Not specified 	<ul style="list-style-type: none"> • Allows use of international allowances from a qualifying international program (i.e., run by a national or supranational foreign government, imposes a mandatory absolute tonnage limit and is at least as stringent as the U.S. program) for compliance • A covered entity may hold an international emission allowance in lieu of an emission allowance

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Relation to Domestic Emission Reduction	Competitiveness and emissions leakage	<ul style="list-style-type: none"> • 2% of allowance value to eligible energy-intensive, trade-exposed industries in 2012-2013, increasing to 15% 2014-2025. President assesses whether to continue or phase out (decreasing by 10% per year) after 2025. Allowances will be used to provide compensation for both direct and indirect compliance costs, on a product output basis • Beginning in 2020, unless a binding international agreement is in effect that requires all major emitters to contribute equitably to reducing GHGs and addresses imbalances in competitiveness, importers would have to purchase international reserve allowances to cover emissions associated with imported covered goods in energy-intensive, trade-exposed sectors • The reserve program would be established automatically unless the President determines that it is not in the national interest and Congress concurs • It would not apply if at least 85 percent of imports in a given sector are from countries that: have emission targets as stringent as the US; are parties to a sectoral agreement; or have energy or GHG intensities in that sector not higher than in the US. It would also not apply to imports from least developed countries (LDC) • State Department and U.S. Trade Representative are required to prepare, publish, and publicize a yearly report on whether China and India have enacted GHG emission standards at least as strict as those of this Act • Any measures to combat leakage should be consistent with World Trade Organization rules • Allowance value used to compensate energy intensive trade-exposed industries 	<ul style="list-style-type: none"> • Secretary of State, working with the Strategic Interagency Board, required to prepare a biannual interagency report on climate change and energy policy for the 5 highest GHG emitting countries not in the Organisation for Economic Co-operation and Development (OECD) • Requires submission of reports by relevant federal agencies to the Strategic Interagency Board on Planning on International Climate Change Investments assessing whether any assistance undermined the protection of intellectual property rights for clean technology 	<ul style="list-style-type: none"> • 2% of allowance value to eligible energy-intensive, trade-exposed industries in 2012-2013, increasing to 15% 2014-2025. President assesses whether to continue or phase out (decreasing by 10% per year) after 2025. Allowances will be used to provide compensation for both direct and indirect compliance costs, on a product output basis • Beginning in 2020, unless a binding international agreement is in effect that requires all major emitters to contribute equitably to reducing GHGs and addresses imbalances in competitiveness, importers would have to purchase international reserve allowances to cover emissions associated with imported covered goods in energy-intensive, trade-exposed sectors • The reserve program would be established automatically unless the President determines that it is not in the national interest and Congress concurs. • It would not apply if at least 85 percent of imports in a given sector are from countries that: have emission targets as stringent as the US; are parties to a sectoral agreement; or have energy or GHG intensities in that sector not higher than in the US. It would also not apply to imports from least developed countries (LDC) • State Department and U.S. Trade Representative are required to prepare, publish, and publicize a yearly report on whether China and India have enacted GHG emission standards at least as strict as those of this Act • Any measures to combat leakage should be consistent with World Trade Organization rules • Allowance value used to compensate energy intensive trade-exposed industries

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Direct International Support	Federal Oversight Board	<ul style="list-style-type: none"> Establishes an International Climate Change Adaptation Program under the supervision of the Secretary of State, in consultation with the Administrator of United States Agency for International Development (USAID), the Secretary of the Treasury, and the Administrator of the Environmental Protection Agency (EPA) 	<ul style="list-style-type: none"> The Strategic Interagency Board on Planning on International Climate Change Investments is established to assess, monitor, and evaluate the progress and contributions of relevant departments and agencies of the U.S. government in supporting funding for international climate change activities and efforts and the goals and objectives on the UNFCCC The Board is composed of the Secretaries of Energy, Treasury, Commerce, and Agriculture, the Administrators of EPA and USAID, and such other relevant officials as the President may designate 	<ul style="list-style-type: none"> The Strategic Interagency Board on Planning on International Climate Change Investments is established to assess, monitor, and evaluate the progress and contributions of relevant departments and agencies of the U.S. government in supporting funding for international climate change activities and efforts and the goals and objectives on the UNFCCC The Board is composed of the Secretaries of Energy, Treasury, Commerce, and Agriculture, the Administrators of EPA and USAID, and such other relevant officials as the President may designate Establishes an International Climate Change Adaptation and Global Security Program, which is headed by the Secretary of State
Direct International Support	Funding	<p>International Adaptation program (described later) allocations:</p> <ul style="list-style-type: none"> 1% of the total of emission allowances for 2012-2021, 2% 2022-2026, 4% 2027-2050 <p>International Clean Technology Deployment program (described later) allocations:</p> <ul style="list-style-type: none"> 1% of the total of emission allowances for 2012-2021, 2% 2022-2026, 4% 2027-2050 	<ul style="list-style-type: none"> Administrator to consider, as appropriate, multi-year funding arrangements (<i>Source or scale of funding not specified</i>) 	<p>International Adaptation and Global Security program (described later) allocations are:</p> <ul style="list-style-type: none"> 0.75% of the total of emission allowances for 2019-2020, 1.1% 2021, 1.6% 2022-2025, 1.75% 2026 2% of the total of emission allowances for 2027, 2.5% 2028, 2.75% 2029, 3% 2030-2034
Direct International Support	International Offsets	<ul style="list-style-type: none"> 1 billion tons of international offsets are allowed for compliance in the emission reduction program This level may be increased to 1.5 billion tons with Presidential determination Beginning in 2018, 1.25 international offset credits must be submitted for each equivalent allowance Sectoral crediting for absolute sector-wide reductions, avoidance or sequestration in eligible countries/sectors identified by the Administrator as having high emissions, a relatively high GDP, and the comparable sector is covered under U.S. compliance 	<ul style="list-style-type: none"> Not specified 	<ul style="list-style-type: none"> 0.5 billion tons of international offsets are allowed for compliance in the emissions reduction program This level may be increased to 1 billion tons with Administrator determination Beginning in 2018, 1.25 international offset credits must be submitted for each equivalent allowance Sectoral crediting for absolute sector-wide reductions in sectors/countries identified by the Administrator as having comparatively high GHG emissions, comparatively greater levels of economic development and of that sector has been

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		<p>obligation</p> <ul style="list-style-type: none"> • Administrator may allow offset credits from developing countries issued by an international body established under the UNFCCC. After 2016, for sectors in countries identified by the Administrator mentioned as above, only sectoral crediting will be allowed • National and sub-national crediting (at the state, province, or project level where appropriate). Sub-national crediting phased out in 2017, except for activities in least developed countries, where sub-national crediting may be extended up to 8 years • Administrator has discretion to include forest soil carbon and degradation of forested wetlands and peatlands • International offset credits and Reducing Emissions from Deforestation and Degradation (REDD) tons must come from countries with which the United States has either a bilateral or multilateral agreement or arrangement on these issues 		<p>in the United States, it would be subject to a compliance obligation</p> <ul style="list-style-type: none"> • Administrator may allow international offset credits issued by an international body established under the UNFCCC that meet certain conditions. After 2016, for sectors in countries identified by the Administrator mentioned as above, only sectoral crediting will be allowed • National and sub-national crediting (at the state, province, or project level where appropriate). Sub-national crediting phased out in 2017, except for activities in least developed countries, where sub-national crediting may be extended up to 8 years • Administrator has discretion to include forest soil carbon and degradation of forested wetlands and peatlands • International offset credits and REDD)tons must come from countries with which the United States has either a bilateral or multilateral agreement or arrangement on these issues
Direct International Support	Adaptation support	<ul style="list-style-type: none"> • Establishes International Climate Change Adaptation Program within USAID; 1% of allowances from 2012-2021; 2% from 2022-2026; and 4% from 2027 • The allowances shall be distributed in the form of bilateral assistance, multilateral assistance, or some combination of the two, to help developing countries adapt • Not later than 180 days after enactment, the Administrator shall submit an initial report to the President and Congress that identifies the developing countries, including the most vulnerable communities and the populations of such communities, that are most vulnerable and in which assistance may have the greatest and most sustainable benefit in reducing vulnerability to climate change 	<ul style="list-style-type: none"> • Establishes a International Climate Change Adaptation and Global Security Program to provide new and additional assistance to most vulnerable developing countries: <ul style="list-style-type: none"> ○ To support the development and implementation of climate change adaptation programs and activities that reduce vulnerability and increase the resilience for communities to climate change impacts, ○ In a manner that protects and promotes the national security, foreign policy, environmental, and economic interests of the US • Not later than 180 days after enactment, the Administrator shall submit an initial report to the President and Congress that 	<ul style="list-style-type: none"> • Establishes an International Climate Change Adaptation and Global Security Program within USAID; 0.75% of emission allowances allocated to international adaptation in 2019, increasing to 3% in 2034 • The allowances shall be distributed in the form of bilateral assistance, multilateral assistance, or some combination of the two, to help developing countries adapt • At least 40% and up to 60% of the assistance available will be used to carry out the International Climate Change Adaptation and Global Security Program through one or more eligible multilateral funds or international organizations Bilateral support may be provided: <ul style="list-style-type: none"> ○ For the development of national or

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		<ul style="list-style-type: none"> • Provide at least 40% and up to 60% of the assistance available to carry out the International Climate Change Adaptation and Global Security Program to one or more eligible multilateral funds or international organizations Bilateral support may be provided: <ul style="list-style-type: none"> ○ For the development of national or regional climate change adaptation plans; programs and activities to support the development of associated national policies; planning, financing, and execution of adaptation programs and activities ○ To support investments, capacity building activities and other assistance ○ To support climate change adaptation research ○ To support the deployment of technologies ○ To encourage the engagement of local communities, and ○ To carry out other programs and activities as appropriate • Not more than 10% of bilateral assistance made available in any year may be distributed to support activities in any single country 	<p>identifies the developing countries, including the most vulnerable communities and the populations of such communities, that are most vulnerable and in which assistance may have the greatest and most sustainable benefit in reducing vulnerability to climate change</p> <ul style="list-style-type: none"> • Provide at least 40% and up to 60% of the assistance available to carry out the International Climate Change Adaptation and Global Security Program to one or more eligible multilateral funds or international organizations Bilateral support may be provided: <ul style="list-style-type: none"> ○ For the development of national or regional climate change adaptation plans; programs and activities to support the development of associated national policies; planning, financing, and execution of adaptation programs and activities ○ To support investments, capacity building activities and other assistance ○ To support climate change adaptation research ○ To support the deployment of technologies ○ To encourage the engagement of local communities, and ○ To carry out other programs and activities as appropriate • Not more than 10% of bilateral assistance made available in any year may be distributed to support activities in any single country. • Administrator to consider, as appropriate, multi-year funding arrangements, particularly if the risk of political, economic, or social instability due to climate change impacts poses a threat to the national security of the US; or, to reduce vulnerability and increase resilience to climate change impacts in 	<p>regional climate change adaptation plans; programs and activities to support the development of associated national policies; planning, financing, and execution of adaptation programs and activities</p> <ul style="list-style-type: none"> ○ To support investments, capacity building activities and other assistance ○ To support climate change adaptation research ○ To support the deployment of technologies ○ To encourage the engagement of local communities, and ○ To carry out other programs and activities as appropriate

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			the context of carrying out long-term development objectives	
Direct International Support	REDD support	<ul style="list-style-type: none"> • 5% of allowance value from 2012-2025, 3% from 2026 - 2030, and 2% from 2031-2050 dedicated to reduce deforestation and degradation, build capacity and forest conservation (where vulnerable to international leakage) activities in developing countries • Goal of achieving supplemental reductions of at least 720 million tons in 2020, and at least 6 billion tons cumulatively by 2025 • Administrator shall modify allowance value (5%) as necessary to achieve the supplemental reductions goal • The Administrator is required to promulgate standards to ensure that reductions in deforestation are additional, measurable, verifiable, permanent, and monitored, and that they account for leakage and uncertainty • These standards require the establishment of a deforestation baseline that is national in scope, takes into consideration the average annual historical deforestation rates of the country during a period of at least 5 years and other factors to ensure additionality, establishes a trajectory that will result in zero gross deforestation no later than 20 years after the baseline is established, is designed to account for all significant sources of GHGs from deforestation in the country, and can be adjusted over time • Administrator has discretion to include forest soil carbon and degradation of forested wetlands and peatlands • Proceeds from strategic reserve auctions used to buy forest carbon tons • Forest carbon tons eligible as international offset credits 	<ul style="list-style-type: none"> • Establishes a program within two years after the date of enactment to provide assistance to reduce GHG emissions from deforestation in developing countries, build capacity to reduce deforestation at the national level (including preparing countries to participate in international offset markets), and forest conservation activities in developing countries. Administrator has discretion to expand to include forest soil carbon and degradation of forested wetlands and peatlands • Goal of achieving emissions reductions of at least 720 million tons in 2020, and at least 6 billion tons cumulatively by 2026, and additional reductions in subsequent years. Reported in a publically accessible registry • Eligible countries are those determined by the administrator to be experiencing or are at risk of deforestation or degradation; to have legal regimes, standards and safeguards in place to ensure the rights and interests of indigenous peoples and forest-dependent communities are protected; and has entered into a bilateral or multilateral arrangement agreement or arrangement with the US (except when a country may receive assistance to build capacity in order to meet the above requirements) • National and sub-national activities. After 8 years, determination by the Administer on continued assistance for sub-national activities, with provision for support for an additional 5 years • The Administrator is required to establish an International Deforestation Reduction Program Insurance Account for Noncompletion or Reversal of GHG 	<ul style="list-style-type: none"> • Establishes a program to provide assistance to reduce GHG emissions from deforestation, build capacity, preserve existing forest carbon stocks, and reduce vulnerability and increase resilience in forest -dependent communities in developing countries • Funds made available (<i>source or scale not specified</i>) to achieve goal of supplemental reductions of at least 720 million tons in 2020, and at least 6 billion tons cumulatively by 2025 and additional reductions in subsequent years • The Administrator is required to promulgate standards to ensure that reductions in deforestation are additional, measurable, verifiable, permanent, and monitored, and that they account for leakage and uncertainty • These standards require the establishment of a deforestation baseline that is national in scope, takes into consideration the average annual historical deforestation rates of the country during a period of at least 5 years and other factors to ensure additionality, establishes a trajectory that will result in zero gross deforestation no later than 20 years after the baseline is established, is designed to account for all significant sources of GHGs from deforestation in the country, and can be adjusted over time • Administrator has discretion to include forest soil carbon and degradation of forested wetlands and peatlands • Proceeds from strategic reserve auctions used to buy forest carbon tons • Forest carbon tons eligible as international offset credits

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			emissions that were not, or are no longer, sequestered, and may include a mechanism to hold in reserve a portion of the support allocated	
Direct International Support	Assistance for Clean Technology Activities	<ul style="list-style-type: none"> • Establishes International Clean Technology Fund, 1% of allowances from 2012-2021; 2% from 2022-2026; and 4% from 2027-2050. Eligible countries are developing countries that have entered into an international agreement under which the countries agree to have national policies to measure, report, and verify changes in GHG emissions. • The President is required to establish an Interagency group to administer the distribution of International Clean Technology Deployment allowances • Qualifying clean technology activities include: <ul style="list-style-type: none"> ○ Assistance in retrofitting existing electric generating units or large industrial sources with CCS technologies or the incremental cost of purchasing and installing such technologies at new facilities; ○ The deployment of renewable electricity generation from wind, solar, sustainably produced biomass and biochar systems, geothermal, marine, or hydrokinetic sources; ○ Substantial increases in the efficiency of electricity transmission, distribution, and consumption; ○ Deployment of low- or zero emissions technologies that are facing financial or other barriers to their widespread deployment; ○ Reduction in transportation sector emissions through increased transportation system and vehicle efficiency or use of transportation fuels that have life cycle greenhouse gas emissions that are substantially lower than those attributable to fossil 	<ul style="list-style-type: none"> • Establish the International Clean Energy Deployment Program, Expert Panel on Technology Deployment and an interagency group, to provide assistance to qualifying entities to carry out qualifying clean technology activities in eligible countries, and leverage private resources • An eligible country is a most vulnerable developing country that: <ul style="list-style-type: none"> ○ Has entered into an international agreement to which the US is a party, ○ Agrees to take nationally appropriate mitigation actions to achieve substantial reductions, sequestration, or avoidance relative to BAU, to produce measurable, reportable, and verifiable GHG emissions mitigation or is determined to be capable of measurement, reporting and verification, and ○ The President determines meets other criteria, including robust compliance with and enforcement of intellectual property rights • Qualifying clean technology activities include: <ul style="list-style-type: none"> ○ Assistance in retrofitting existing electric generating units or large industrial sources with CCS technologies or the incremental cost of purchasing and installing such technologies at new facilities; ○ The deployment of renewable electricity generation from wind, solar, sustainably produced biomass and biochar systems, geothermal, marine, or hydrokinetic sources; ○ Substantial increases in the efficiency of electricity transmission, 	<ul style="list-style-type: none"> • If the President determines that a multilateral agreement has been reached, he may direct the Administrator to allocate not more than 5% of allowances to undertake capacity-building, clean-energy deployment activities among others • States the support of the export deployment of clean energy technologies (but does not explicitly outline assistance for clean energy technology activities)

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		<ul style="list-style-type: none"> ○ fuel-based alternatives; ○ Reduction in black carbon emissions; and ○ Capacity building activities ● Authorizes the Secretary of State, or other federal Agency head that the President designates, to provide assistance, through the distribution of allowances for activities that occur in eligible countries ● Allowances shall be distributed to multilateral funds or institutions, for bilateral assistance, or for a combination of the above mechanisms 	<ul style="list-style-type: none"> ○ distribution, and consumption; ○ Deployment of low- or zero emissions technologies that are facing financial or other barriers to their widespread deployment; ○ Reduction in transportation sector emissions through increased transportation system and vehicle efficiency or use of transportation fuels that have life cycle greenhouse gas emissions that are substantially lower than those attributable to fossil fuel-based alternatives; ○ Reduction in black carbon emissions; and ○ Capacity building activities ● Assistance shall be distributed bilaterally or to multilateral funds or institutions under the UNFCCC or a combination. No more than 15% of bilateral funding in any year may be used to support activities in a single country ● Establishes a Reserve Fund for LDCs by annually holding 15% of assistance in reserve for access by least developed countries with GHG emissions below 0.5 percent of global emissions 	