Congress of the United States
Washington, DC 20515

October 2, 2008

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Madam Speaker,

We salute your leadership on one of the critical issues of our time: the effort to save the planet from calamitous global warming. You have listened to the scientists and recognized the scope and severity of the threat that global warming poses to our nation's security, economy, public health, and ecosystems. You have made enacting legislation to address global warming a top priority for Congress for the first time in our history. We stand ready to help develop this legislation and enact it into law.

As part of this effort, we have developed a set of principles to guide Congress as it produces legislation to establish an economy-wide mandatory program to address the threat of global warming. Acting in accordance with these principles is critical to achieving a fair and effective bill that will avoid the most dangerous global warming and assist those harmed by the warming that is unavoidable, while strengthening our economy.

The following are the principles we have developed to guide the creation of comprehensive global warming legislation.

Comprehensive legislation to address global warming must achieve four key goals:

1. Reduce emissions to avoid dangerous global warming;
2. Transition America to a clean energy economy;
3. Recognize and minimize any economic impacts from global warming legislation; and
4. Aid communities and ecosystems vulnerable to harm from global warming.

To meet each of these goals, climate change legislation must include the following key elements.

Reduce Emissions to Avoid Dangerous Global Warming

The United States must do its part to keep global temperatures from rising more than 3.6 degrees Fahrenheit (2 degrees Celsius) above pre-industrial levels. The scientific community warns that above this level, dangerous and irreversible changes to the Earth's climate are predicted to occur. To meet this goal, the legislation must:

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- **Cap and cut global warming emissions to science-based levels with short and long-term targets.** Total U.S. emissions must be capped by a date certain, decline every year, be reduced to 15% to 20% below current levels in 2020, and fall to 80% below 1990 levels by 2050.

- **Review and respond to advancing climate science.** The effects of global warming are happening much faster than scientists predicted several years ago, and there may be tipping points at which irreversible effects occur at lower levels of greenhouse gas concentrations than previously predicted. A mechanism for periodic scientific review is necessary, and EPA, and other agencies as appropriate, must adjust the regulatory response if the latest science indicates that more reductions are needed.

- **Make emissions targets certain and enforceable.** Our strong existing environmental laws depend on enforceable requirements, rigorous monitoring and reporting of emissions, public input and transparent implementation, and government and citizen enforcement. All of these elements must be included in comprehensive global warming legislation. Cost-containment measures must not break the cap on global warming pollution. Any offsets must be real, additional, verifiable, permanent, and enforceable. The percentage of required emissions reductions that may be met with offsets should be strictly limited, and should be increased only to the extent that there is greater certainty that the offsets will not compromise the program's environmental integrity.

- **Require the United States to engage with other nations to reduce emissions through commitments and incentives.** The United States must reengage in the international negotiations to establish binding emissions reductions goals under the United Nations Framework Convention on Climate Change. The legislation must encourage developing countries to reduce emissions by assisting such countries to avoid deforestation and to adopt clean energy technologies. This is a cost-effective way for the United States and other developed nations to achieve combined emissions reductions of at least 25% below 1990 levels by 2020, as called for by the Intergovernmental Panel on Climate Change.

Transition America to a Clean Energy Economy

Global warming legislation provides an opportunity to create new jobs, while transforming the way we live and work through renewable energy, green buildings, clean vehicles, and advanced technologies. To realize this opportunity, the legislation must:

- **Invest in the best clean energy and efficiency technologies.** A significant portion of revenues from auctioning emissions allowances should be invested in clean energy and efficiency measures, targeted to technologies and practices that are cleaner, cheaper, safer, and faster than conventional technologies, as determined through the application of clear standards set by Congress.

- **Include and encourage complementary policies.** Complementary policies can lower program costs by producing lower-cost emissions reductions from economic sectors and activities that are less sensitive to a price signal. Smart growth measures, green building policies, and electricity sector efficiency policies are important types of complementary

policies. The legislation should include federal complementary policies and encourage state and local complementary policies in areas better addressed by states and localities.

- **Preserve states' authorities to protect their citizens.** Federal global warming requirements must be a floor, not a ceiling, on states' ability to protect their citizens' health and state resources. Throughout our history, states have pioneered policies that the nation has subsequently adopted. Addressing global warming requires state and local efforts, as well as national ones.

Recognize and Minimize Any Economic Impacts from Global Warming Legislation

Reducing global warming pollution will likely have some manageable costs, which would be far lower than the costs of inaction. To minimize any economic impacts, the legislation must:

- **Use public assets for public benefit in a fair and transparent way.** Emissions allowances should be auctioned with the revenues going to benefit the public, and any free allocations should produce public benefits. If any allocations are given to polluters, they must be provided only to existing facilities for a brief transition period and the quantity must be limited to avoid windfall profits.

- **Return revenues to consumers.** Revenues from auctioned allowances should be returned to low- and moderate-income households at a level sufficient to offset higher energy costs.

- **Return revenues to workers and communities.** Workers and communities most affected by the transition to a clean energy economy should receive a portion of the revenues to ease the transition and build a trained workforce so that all can participate in the new energy economy.

- **Protect against global trade disadvantages to U.S. industry.** In addition to providing incentives for developing countries to reduce emissions, the legislation should provide for an effective response to any countries that refuse to contribute their fair share to the international effort. These elements will protect energy-intensive U.S. enterprises against competitive disadvantage.

Aid Communities and Ecosystems Vulnerable to Harm from Global Warming

Global warming is already harming communities and ecosystems throughout the world, and even with immediate action to reduce emissions and avoid dangerous effects, these impacts will worsen over the coming decades. To ameliorate these harms, the legislation must:

- **Assist states, localities, and tribes to respond and adapt to the effects of global warming.** A portion of auction revenues should be provided to states, localities, and tribes to respond to harm from global warming and adapt their infrastructure to its effects, such as more severe wildfires, intensified droughts, increased water scarcity, sea level rise, floods, hurricanes, melting permafrost, and agricultural and public health impacts.

- **Assist developing countries to respond and adapt to the effects of global warming.** A portion of auction revenues should be provided to help the developing countries most vulnerable to harm from global warming and defuse the threats to national security and global stability posed by conflicts over water and other natural resources, famines, and mass migrations that could be triggered by global warming. Vulnerable countries include least developed countries, where millions of people are already living on the brink, and small island states, which face massive loss of land.

- **Assist wildlife and ecosystems threatened by global warming.** A portion of auction revenues should be provided to federal, state, and tribal natural resource protection agencies to manage wildlife and ecosystems to maximize the survival of wildlife populations, imperiled species, and ecosystems, using science-based adaptation strategies.

These principles, if adopted as part of comprehensive climate change legislation, will meet the United States' obligations to curb greenhouse gas emissions and also will provide a pathway to the international cooperation that is necessary to solve the global warming problem.

We commend these principles to you and hope that you find them helpful as we move forward together to develop and adopt global warming legislation.

Sincerely,

Rep. Henry A. Waxman

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Rep. Jay Inslee

Rep. Thomas H. Allen

Rep. Earl Blumenauer

Rep. Maurice D. Hinchey

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