To amend the Internal Revenue Code of 1986 to eliminate certain fuel excise taxes and impose a tax on greenhouse gas emissions to provide revenue for maintaining and building American infrastructure, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CURBÉLO of Florida introduced the following bill; which was referred to the Committee on ____________________________

A BILL

To amend the Internal Revenue Code of 1986 to eliminate certain fuel excise taxes and impose a tax on greenhouse gas emissions to provide revenue for maintaining and building American infrastructure, and for other purposes.

Be it enacted by the Senate and House of Representa-

tives 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 “Modernizing America with Rebuilding to Kickstart the Economy of the Twenty-first Century with a Historic In-
2 infrastructure-Centered Expansion Act’ or the ‘‘MARKET
2 CHOICE Act’’.
3
(b) TABLE OF CONTENTS.—The table of contents for
4 this Act is as follows:

Sec. 1. Short title, table of contents.
Sec. 2. Findings.

TITLIE I—GREENHOUSE GAS EMISSIONS

Sec. 101. Treatment of greenhouse gas emissions.

TITLE II—DISTRIBUTION OF REVENUES FROM TAXATION OF
GREENHOUSE GAS EMISSIONS

Subtitle A—Rebuilding Infrastructure and Solutions for the Environment
Trust Fund

Sec. 201. Establishment of the RISE Trust Fund.
Sec. 203. State grants.

Subtitle B—Certain Manufacturers Excise Taxes

Sec. 211. Repeal of federal motor vehicle and aviation fuel taxes.

TITLE III—AMENDMENTS TO OTHER LAWS

Subtitle A—Amendments to Federal Environmental Statutes

Sec. 301. Amendments to the Clean Air Act.
Sec. 302. Frequent and chronic coastal flooding mitigation and adaptation in-
frastucture projects.

Subtitle B—Assistance to Displaced Workers in the Energy Sector

Sec. 321. Assistance to displaced workers in the energy sector.

TITLE IV—NATIONAL CLIMATE COMMISSION

Sec. 401. Establishment of Commission.
Sec. 402. Duties of Commission.
Sec. 403. Membership of Commission.
Sec. 404. Funding for the activities of the Commission.
Sec. 405. Power of the Commission.
Sec. 406. Staff of the Commission.

5 SEC. 2. FINDINGS.

6 The Congress finds that—
(1) roads, bridges, airports, and urban transportation systems are essential to the economic and national security of the United States;

(2) there is a chronic shortfall in funding for the maintenance of highways, bridges, and other critical infrastructure;

(3) strategic investments in new infrastructure will allow for economic growth and dynamism in the twenty first century;

(4) there has been a marked increase in extreme weather events and the negative impacts of a changing climate are expected to worsen in every region of the United States;

(5) if left unaddressed, the consequences of a changing climate have the potential to adversely impact the health of all Americans, harm the economy, and impose substantial costs on local, State, and Federal budgets;

(6) efforts to reduce climate risk should protect our Nation’s economy, security, infrastructure, agriculture, water supply, public health, and public safety; and

(7) there is bipartisan support for pursuing efforts to reduce greenhouse gas emissions through
economically viable, broadly supported private and
public policies and solutions.

**TITLE I—GREENHOUSE GAS EMISSIONS**

**SECTION 101. TREATMENT OF GREENHOUSE GAS EMISSIONS.**

(a) In General.—The Internal Revenue Code of
1986 is amended by adding at the end the following:

"Subtitle L—Greenhouse Gas Emissions"


"PART 1—TAXATION OF GREENHOUSE GAS EMISSIONS"

"Sec. 9901. Imposition of tax on combusted fossil fuel greenhouse gas emissions."
"Sec. 9902. Imposition of tax on greenhouse gas emissions from certain industrial processes."
"Sec. 9903. Imposition of tax on greenhouse gas emissions from certain product uses."
"Sec. 9904. Calculation of taxable emissions."
"Sec. 9905. Credit for State payments."
"Sec. 9906. Penalties for nonpayment."
"Sec. 9907. Definitions."

"SEC. 9901. IMPOSITION OF TAX ON COMBUSTED FOSSIL FUEL GREENHOUSE GAS EMISSIONS."

"(a) In General.—There is hereby imposed a tax on fossil fuels produced within, or imported into, the United States."

"(b) Rate of Tax.—
“(1) **Greenhouse gases that would be released if the fossil fuel were combusted.**—
The tax imposed by subsection (a) shall be the applicable amount per ton of carbon dioxide equivalent of all greenhouse gases that would be released if the fossil fuel were combusted.

“(2) **Applicable amount of carbon dioxide equivalent emissions.**—For purposes of paragraph (1), the term ‘applicable amount’ means—

“(A) for calendar year 2020, $24 per metric ton of carbon dioxide equivalent emissions, and

“(B) for each calendar year after 2020, the tax rate shall be the sum of—

“(i) the previous calendar year’s tax rate, plus

“(ii) the sum of—

“(I) 2 percentage points, plus

“(II) a percentage increase in the previous year’s tax rate equal to the increase in the Consumer Price Index for the previous calendar year.

“(C) **Consumer Price Index for any calendar year.**—For purposes of subparagraph (B), the Consumer Price Index for the
previous calendar year is the average of the Consumer Price Index for all-urban consumers published by the Department of Labor as of the close of the 12-month period ending on August 31 of such calendar year. For purposes of the preceding sentence, the revision of the Consumer Price Index which is most consistent with the Consumer Price Index for calendar year 1986 shall be used.

“(3) Rate adjustment based on emission levels.—

“(A) Report.—Not later than March 30, 2021, and annually thereafter, the Secretary and the Administrator shall jointly report the emissions during the calendar year ending on the preceding December 31 from sources subject to taxation under this part. The report shall determine whether the cumulative amount of annual emissions reported for the period beginning in calendar year 2020 and through the end of the preceding calendar year were less than the emissions levels specified in the following schedule:
“(i) The total emissions through calendar year 2020 are 5,177 million metric tons of carbon dioxide equivalent.

“(ii) The total emissions through calendar year 2021 are 10,353 million metric tons of carbon dioxide equivalent.

“(iii) The total emissions through calendar year 2022 are 15,472 million metric tons of carbon dioxide equivalent.

“(iv) The total emissions through calendar year 2023 are 20,532 million metric tons of carbon dioxide equivalent.

“(v) The total emissions through calendar year 2024 are 25,592 million metric tons of carbon dioxide equivalent.

“(vi) The total emissions through calendar year 2025 are 30,594 million metric tons of carbon dioxide equivalent.

“(vii) The total emissions through calendar year 2026 are 35,596 million metric tons of carbon dioxide equivalent.

“(viii) The total emissions through calendar year 2027 are 40,540 million metric tons of carbon dioxide equivalent.
“(ix) The total emissions through calendar year 2028 are 45,484 million metric tons of carbon dioxide equivalent.

“(x) The total emissions through calendar year 2029 are 50,370 million metric tons of carbon dioxide equivalent.

“(xi) The total emissions through calendar year 2030 are 55,255 million metric tons of carbon dioxide equivalent.

“(B) Adjustments for report period.—

“(i) In general.—Not later than March 30, 2022, and every two years thereafter, the Secretary shall determine whether an adjustment is required in accordance with clause (ii).

“(ii) Period through 2030.—If the emission level reported under subparagraph (A) for calendar year 2022, and every second calendar year thereafter through calendar year 2030, exceeds the level for such calendar year specified in clauses (i) through (xi) of subparagraph (A), then the applicable amount under paragraph (2) for the calendar year begin-
ning on the next January 1 following the
determination in clause (i) shall, after the
increase under paragraph (2) for such next
calendar year, be increased by an addi-
tional $2 per metric ton.

“(c) By Whom Paid.—The tax imposed by sub-
section (a) shall be paid by the owner of the fossil fuel
at the point of taxation.

“(d) Point of Taxation.—

“(1) For fossil fuels produced within the United
States, the point of taxation shall be—

“(A) for coal, the mine mouth or, for
washed coal, the exit from the coal preparation
and processing plant,

“(B) for petroleum products, the exit point
from the refinery, and

“(C) for natural gas, the exit from the gas
processing plant or, for natural gas that is not
treated at a gas processing plant, the point of
sale to the person who combusts the gas or in-
corporates it into a product that is not intended
for combustion.

“(2) For any fossil fuel imported into the
United States, the point of taxation shall be the
point at which it first enters the United States.
“(e) EXEMPTIONS.—

“(1) EXEMPTION FOR NONCOMBUSTIVE USES.—

“(A) REFUND FOR REDUCTION OR ELIMINATION OF EMISSIONS.—Any manufacturer of a product that incorporates a fossil fuel that has been taxed under this section who can demonstrate to the Secretary that the fossil fuel has been transformed via the manufacture of the product so that the fossil fuel’s emissions will be reduced or eliminated over the product’s lifetime shall be entitled to a refund of the tax paid under this section on the proportion of the emissions reduced thereby, as determined by the Secretary.

“(B) RULE.—The Secretary, in consultation with the Administrator, shall establish by rule the criteria and process by which product manufacturers can demonstrate that the conditions in subparagraph (A) have been satisfied.

“(C) PUBLICATION OF REGULATIONS.—The Secretary shall publish the regulations required by this subsection no later than one year prior to the start of the calendar year referred to in section 9901(b)(2)(A). The Secretary may
not collect the tax imposed by this section for any calendar year that begins less than one year after the regulations are published.

“(2) Exemption for carbon capture and storage.—

“(A) Refund for sequesters.—Any person who sequesters greenhouse gas emissions resulting from the combustion of fossil fuel that has passed through a point of taxation shall be entitled to a refund of the tax imposed by this section. Emissions that are used for enhanced oil recovery shall be entitled for such refund provided that these emissions meet all of the criteria applicable to other emissions that qualify for such refund.

“(B) Rule.—The Secretary shall establish by rule the procedures by which to apply for such refunds and such refunds shall be paid within six months of the Secretary receiving an approvable application.

“(C) Time of refund.—The Secretary may not refund any amounts under this paragraph until such time as the Secretary has published the regulations described in section 45Q(d)(2).
“SEC. 9902. IMPOSITION OF TAX ON GREENHOUSE GAS EMISSIONS FROM CERTAIN INDUSTRIAL PROCESSES.

“(a) IN GENERAL.—There is hereby imposed a tax on industrial process greenhouse gas emissions by certain source categories.

“(b) LIST OF SOURCE CATEGORIES.—

“(1) INITIAL LIST.—The Congress establishes for purposes of this section a list of source categories subject to this section as follows:

“(A) Iron and steel production and metallurgical coke production.

“(B) Underground coal mining.

“(C) Coal preparation and processing plants.

“(D) Refineries.

“(E) Cement production.

“(F) Petrochemical production.

“(G) Lime production.

“(H) Ammonia production.

“(I) Aluminum production.

“(J) Soda ash production.

“(K) Ferroalloy production.

“(L) Phosphoric acid production.

“(M) Glass production.

“(N) Zinc production.
“(O) Lead production.

“(P) Magnesium production and processing.

“(Q) Nitric acid production.

“(R) Adipic acid production.

“(S) Semiconductor manufacture.

“(T) Electrical transmission and distribution.

“(2) Revision of the list.—The Administrator shall review the list of source categories established by this subsection not less than once every five years to determine if they should continue to be listed and publish the results of that review. The Administrator may, if appropriate, add any source categories to this list by rule.

“(3) Removal of a source category from the list.—The Administrator may remove a source category from this list only if—

“(A) the total emissions from the entire source category which are taxable under this section have been less than 250,000 metric tons of carbon dioxide equivalent per year for each of three consecutive years,

“(B) the average emissions from facilities in the source category which are taxable under
this section have been less than 25,000 metric tons of carbon dioxide equivalent per year for each of the years referred in subparagraph (A), and

“(C) the Administrator determines that there is no reasonable possibility that the total emissions from the entire source category which are taxable under this section will exceed 250,000 metric tons per year of carbon dioxide equivalent within any of the five years following such determination.

“(4) ADDITION OF A SOURCE CATEGORY TO THE LIST.—The Administrator may add a source category to this list only if the Administrator determines that—

“(A) the total emissions from the entire source category which are taxable under this section have been greater than 250,000 metric tons per year of carbon dioxide equivalent in any two years out of the preceding five years,

“(B) the average emissions from facilities in the source category which are taxable under this section have been greater than 25,000 metric tons per year of carbon dioxide equivalent in the years in which emissions from the entire
source category have been greater than 250,000 tons per year, and

“(C) there is a reasonable possibility that the total emissions from the entire source category which are taxable under this section will be greater than 250,000 metric tons per year of carbon dioxide equivalent in any year within the next five years following such determination.

“(5) The Administrator may add a source category to the list that has previously been removed pursuant to paragraph (3) if the addition of the source category otherwise meets the requirements per paragraph (4).

“(c) RATE OF TAX.—The rate of tax shall be the same as the rate given in section 9901(b)(2).

“(d) BY WHOM PAID.—The tax imposed by subsection (a) shall be paid by the owner or operator of the point of taxation.

“(e) POINT OF TAXATION.—The point of taxation shall be any facility in a source category which emits more than 25,000 metric tons of carbon dioxide equivalent subject to taxation under this section in any calendar year.
**SEC. 9903. IMPOSITION OF TAX ON GREENHOUSE GAS EMISSIONS FROM CERTAIN PRODUCT USES.**

“(a) IN GENERAL.—There is hereby imposed a tax on non-fossil-fuel-greenhouse-gas emissions by certain manufactured products when used for their intended purposes that are manufactured within or imported into, the United States.

“(b) LIST OF PRODUCTS.—

“(1) INITIAL LIST.—The Congress establishes for purposes of this section a list of products subject to this section as follows:

“(A) Fuel ethanol.
“(B) Industrial carbonates.
“(C) Carbon dioxide urea.
“(D) Soda ash.
“(E) Nitrous oxide.
“(F) Ozone depleting substances, but not if the United States has ratified the Kigali Amendment to the Montreal Protocol and is subject to Article 2J, paragraph 1 of the Amended Montreal Protocol.
“(G) Biodiesel.
“(H) Solid biomass fuels.

“(2) REVISION OF THE LIST.—The Administrator shall review the list of products established by this subsection not less than once every five years to
determine if they should continue to be listed and
publish the results of that review. The Administrator
may, if appropriate, add any product to this list by
rule.

“(3) REMOVAL OF A PRODUCT FROM THE
list.—The Administrator may remove a product
from this list only if—

“(A) the total emissions from all of the
product used within the United States has been
less than 250,000 metric tons per year of car-
bon dioxide equivalent for each of three con-
secutive years, and

“(B) the Administrator determines that
there is no reasonable possibility that the total
emissions from all of the product used in the
United States will exceed 250,000 metric tons
per year of carbon dioxide equivalent within any
of the five years following such determination.

“(4) ADDITION OF A PRODUCT TO THE LIST.—
The Administrator may add a product to this list
only if the Administrator determines that—

“(A) the total emissions from all of the
product used within the United States has been
greater than 250,000 metric tons per year of
carbon dioxide equivalent in any two years out of the preceding five years, and

“(B) there is a reasonable possibility that the total emissions from all of the product used within the United States will be greater than 250,000 metric tons per year of carbon dioxide equivalent in any year within the next five years following such determination.

“(5) The Secretary may add a product to the list that has previously been removed pursuant to paragraph (3) if the addition of the product otherwise meets the requirements of paragraph (4).

“(c) Rate of Tax.—The rate of tax shall be the same as the rate given in section 9901(b)(2).

“(d) By Whom Paid.—The tax imposed by subsection (a) shall be paid—

“(1) for products manufactured in the United States, by the owner or operator of the point of taxation, and

“(2) for products imported into the United States, by the owner of the product when it enters the United States.

“(e) Point of Taxation.—The point of taxation shall be—
“(1) for products manufactured in the United States, the manufacturing facility,

“(2) for products imported into the United States, the point at which it first enters the United States, and

“(3) for domestically produced biomass fuel by a facility that emits from combusted biomass fuel more than 25,000 metric tons of carbon dioxide equivalent greenhouse gases in a year, the facility that combusts the biomass fuel.

“SEC. 9904. CALCULATION OF TAXABLE EMISSIONS.

“(a) HOW TO CALCULATE TAXABLE EMISSIONS.—In consultation with the Department of Energy, the Administrator shall establish by rule (and may, from time to time, revise) the method by which taxable emissions under this part shall be calculated.

“(b) CATEGORIES AND SUBCATEGORIES CONSIDERED.—For purposes of calculating emissions taxable under—

“(1) section 9901, the Administrator shall determine by rule the amount of carbon dioxide equivalent that would be emitted if each fossil fuel were combusted, and the Administrator may establish by rule such subcategories of each fuel and the means
by which it is combusted as the Administrator deems appropriate,

“(2) section 9902, the Administrator may determine by rule such subcategories of any industrial process category listed in subsection 9902(b) as the Administrator deems appropriate, and

“(3) section 9903, for fuel ethanol, biodiesel, and solid biomass fuels the Administrator shall determine by rule the amount of carbon dioxide equivalent that would be emitted based on the lifecycle greenhouse gas emissions of the product, and the Administrator may determine by rule such subcategories of manufactured products listed in subsection 9903(b) as the Administrator deems appropriate.

“(c) METHODS.—Where greenhouse gas emissions subject to taxation under any section of this part are combined with greenhouse gas emissions subject to taxation under any other section of this part, the Administrator shall ensure, to the greatest degree possible, that the methods required to determine the emissions taxable under any section of this part do not include any emissions taxable under any other section of this part.

“(d) METHOD COST DIFFERENCES.—The Administrator shall not require the use of any method to calculate
taxable emissions whereby the difference in cost of the
method compared to the next cheapest alternative method
is greater than the amount of the tax that would be paid
on the additional emissions determined by the more expen-
sive method.

“(e) PUBLICATION OF REGULATIONS.—The Adminis-
trator shall publish the regulations required by this section
no later than one year prior to the start of the calendar
year referred to in section 9901(b)(2)(A). The Secretary
may not collect the tax imposed by any section in this part
for any calendar year that begins less than one year after
the regulations applicable to each such section are pub-
lished.

“SEC. 9905. CREDIT FOR STATE PAYMENTS.

“(a) CREDIT FOR PAYMENTS.—The Secretary shall
allow any person who is required to make payment for
greenhouse gas emissions under this part a credit for pay-
ments made on those emissions required under any State
law in the following manner:

“(1) For the year given in section 9901(b)(2),
a credit equal to 100 percent of the amount paid
pursuant to requirements of State law.

“(2) For the first year following the year used
in paragraph (1), a credit equal to 80 percent of the
amount paid pursuant to requirements of State law.
“(3) For the second year following the year used in paragraph (1), a credit equal to 60 percent of the amount paid pursuant to requirements of State law.

“(4) For the third year following the year used in paragraph (1), a credit equal to 40 percent of the amount paid pursuant to requirements of State law.

“(5) For the fourth year following the year used in paragraph (1), a credit equal to 20 percent of the amount paid pursuant to requirements of State law.

“(b) No Credit.—For all years following the year used in paragraph (5), no credit shall be allowed.

“SEC. 9906. PENALTIES FOR NONPAYMENT.

“Any person who fails to comply with the requirements of section 9901, 9902, or 9903 shall be liable for payment to the Secretary, without demand, of a penalty in the amount equal to 3 times the applicable amount specified by those sections for the same tax year as the year in which the person failed to comply with such requirements.

“SEC. 9907. DEFINITIONS.

“Unless otherwise provided, the definitions provided herein are applicable to all provisions of this subtitle.
“(1) **ADMINISTRATOR.**—The term ‘Administrator’ means the Administrator of the Environmental Protection Agency.

“(2) **CARBON DIOXIDE EQUIVALENT.**—The term ‘carbon dioxide equivalent’ means the number of metric tons of CO2 emissions with the same global warming potential over a 100-year period as one metric ton of another greenhouse gas.

“(3) **COAL.**—The term ‘coal’ means any of the recognized classifications and ranks of coal, including anthracite, bituminous, semibituminous, subbituminous, lignite and peat.

“(4) **COAL PREPARATION AND PROCESSING PLANT.**—The term ‘coal preparation and processing plant’ means any facility (excluding underground mining operations) which prepares coal by one or more of the following processes: breaking, crushing, screening, wet or dry cleaning, and thermal drying.

“(5) **ENHANCED OIL RECOVERY.**—‘enhanced oil recovery’ has the meaning defined at section 1.193–1(b)(2) of title 26, Code of Federal Regulations.

“(6) **FACILITY.**—The term ‘facility’ means any physical property, plant, building, structure, source, or stationary equipment located on one or more contiguous or adjacent properties in actual physical con-
tact or separated solely by a public roadway or other
public right-of-way and under common ownership or
common control, that emits or may emit any green-
house gas.

“(7) Fossil fuel.—The term ‘fossil fuel’
means coal, petroleum products, or natural gas.

“(8) Greenhouse gas.—The term ‘greenhouse
gas’ means carbon dioxide, nitrous oxide, methane,
hydrofluorocarbons, perfluorocarbons, and sulfur
hexafluoride.

“(9) Greenhouse gas effects.—The term
‘greenhouse gas effects’ means the adverse effects of
greenhouse gasses on health or welfare caused by
the greenhouse gas’s heat-trapping potential or its
effect on ocean acidification.

“(10) Lifecycle greenhouse gas emis-
sions.—The term ‘lifecycle greenhouse gas emis-
sions’ has the meaning given that term in section
211 of the Clear Air Act (42 U.S.C. 7545(o)(1)(H)).

“(11) Natural gas.—The term ‘natural gas’
means any fuel consisting in whole or in part of nat-
ural gas, including components of natural gas such
as methane and ethane; liquid petroleum gas; syn-
thetic gas derived from coal, petroleum, or natural
gas liquids; or any mixture of natural gas and synthetic gas.

“(12) **Petroleum products.**—The term ‘petroleum products’ means unfinished oils, liquefied petroleum gases, pentanes plus, aviation gasoline, motor gasoline, naphtha-type jet fuel, kerosene-type jet fuel, kerosene, distillate fuel oil, residual fuel oil, petrochemical feedstocks, special naphthas, lubricants, waxes, petroleum coke, asphalt, road oil, still gas, and miscellaneous products obtained from the processing of crude oil (including lease condensate), natural gas, and other hydrocarbon compounds. The term does not include natural gas, liquefied natural gas, biofuels, methanol, and other nonpetroleum fuels.

“(13) **Publish.**—The term ‘publish’ means publication in the Federal Register.

“(14) **Refinery.**—The term ‘refinery’ means any facility engaged in producing gasoline, kerosene, distillate fuel oils, residual fuel oils, lubricants, or other products through distillation of petroleum or through redistillation, cracking or reforming of unfinished petroleum derivatives.
“(15) OWNER.—The term ‘owner’ with respect to any fossil fuel means any person who has legal title to the fossil fuel.

“(16) OWNER OR OPERATOR.—The term ‘owner or operator’ with respect to any fossil fuel means any person who has legal title to the fossil fuel.

“(17) SEQUESTERS.—The term ‘sequesters’ means the permanent storage of carbon dioxide or other greenhouse gas such that it does not escape into the atmosphere, and is in compliance with the regulations issued pursuant to section 45Q(d)(2).

“(18) SOLID BIOMASS.—The term ‘solid biomass’ means nonfossilized and biodegradable organic material originating from plants, animals or microorganisms, including products, byproducts, residues and waste from agriculture, forestry and related industries as well as the nonfossilized and biodegradable organic fractions of industrial and municipal wastes, but does not include gases and liquids recovered from the decomposition of nonfossilized and biodegradable organic material.

“(19) SOURCE CATEGORY.—The term ‘source category’ means any category or subcategory regulated under Part 60 of title 40, Code of Federal
Regulations, or Part 90 of title 40, Code of Federal Regulations.

“PART 2—TAX ADJUSTMENTS FOR IMPORTS AND EXPORTS OF GREENHOUSE GAS INTENSIVE PRODUCTS

“Sec. 9911. Purposes.
“Sec. 9912. Definitions.
“Sec. 9913. Notification of foreign countries.
“Sec. 9914. Border tax adjustment rate.

“SEC. 9911. PURPOSES.

“(a) PURPOSES OF PART.—The purposes of this part are—

“(1) to promote a strong global effort to significantly reduce greenhouse gas emissions, and

“(2) to prevent carbon leakage.

“(b) ADDITIONAL PURPOSES OF PART.—The purposes of this part are additionally—

“(1) to provide a rebate to exporters in domestic eligible industrial sectors for the greenhouse gas emission costs of the owners and operators incurred under this title, but not for costs associated with other related or unrelated market dynamics,

“(2) to ensure that imports from other countries, and, in particular, fast-growing developing countries, do not enjoy competitive advantages because of the carbon tax liability of domestic manufacturers, and therefore increase their emissions,
“(3) to encourage foreign countries to take substantial action with respect to their greenhouse gas emissions, and

“(4) to ensure that the measures described in this subpart are designed and implemented in a manner consistent with applicable international agreements to which the United States is a party.

“SEC. 9912. DEFINITIONS.

“In this part:

“(1) CARBON LEAKAGE.—The term ‘carbon leakage’ means any substantial increase (as determined by the Secretary) in greenhouse gas emissions by entities located in other countries caused by a cost of production increase in the United States resulting from implementation of this title.

“(2) BORDER TAX ADJUSTMENT.—The term ‘border tax adjustment’ means the levying of a tax on imported covered goods equivalent to the amount of tax paid pursuant to part 1 of this subtitle in the manufacture of comparable domestic manufactured goods, and the rebating of the tax paid pursuant to part 1 of this subtitle that has been paid on covered goods exported from the United States.

“(3) BORDER TAX ADJUSTMENT RATE.—The term ‘border tax adjustment rate’ means the amount
of tax that would be paid on a covered good produced in the United States in the current year.

“(4) COMMISSIONER.—The term ‘Commissioner’ means the Commissioner of United States Customs and Border Protection.

“(5) COVERED GOOD.—The term ‘covered good’ means a good that is—

“(A) entered under a heading or subheading of the Harmonized Tariff Schedule of the United States that corresponds to the NAICS code for an eligible industrial sector, as established in the concordance between NAICS codes and the Harmonized Tariff Schedule of the United States prepared by the United States Census Bureau, or

“(B) a manufactured item for consumption.

“(6) ELIGIBLE INDUSTRIAL SECTOR.—The term ‘eligible industrial sector’ means an industrial sector determined by the Secretary under section 9913.

“(7) INDUSTRIAL SECTOR.—The term ‘industrial sector’ means any sector that—

“(A) is in the manufacturing sector (as defined in NAICS codes 31, 32, and 33), or
“(B) is part of, or an entire, sector that beneficiates or otherwise processes (including agglomeration) metal ores, including iron and copper ores, soda ash, and phosphate. The term ‘industrial sector’ does not include any part of a sector that extracts fossil fuels, metal ores, soda ash, or phosphate.

“(8) MANUFACTURED ITEM FOR CONSUMPTION.—The term ‘manufactured item for consumption’ means any good—

“(A) that includes in substantial quantities one or more goods like the goods produced by an eligible industrial sector, and

“(B) for which the Secretary has determined, with the concurrence of the Commissioner, that the application of the border tax adjustment program pursuant to this part is technically and administratively feasible and appropriate to achieve the purposes of this part, taking into account the greenhouse gas intensity, and where appropriate the trade intensity, of the industrial sector that produces the good, as measured consistent with section 9913 and the ability of the producers to recover cost in-
increases in the marketplace and other appropriate factors.

“(9) **NAICS.**—The term ‘NAICS’ means the North American Industrial Classification System of 2002.

“(10) **OUTPUT.**—The term ‘output’ means the total tonnage or other standard unit of production (as determined by the Secretary) produced by an entity in an industrial sector.

**SEC. 9913. NOTIFICATION OF FOREIGN COUNTRIES.**

“(a) **IN GENERAL.**—As soon as practicable after the date of the enactment of the Modernizing America with Rebuilding to Kickstart the Economy of the Twenty-first Century with a Historic Infrastructure-Centered Expansion Act, the President shall notify each foreign country—

“(1) requesting the foreign country to take appropriate measures to limit the greenhouse gas emissions of the foreign country, and

“(2) indicating that a border tax adjustment may apply to covered goods imported into and exported from the United States.

“(b) **LISTS.**—

“(1) **IN GENERAL.**—Not later than 1 year after the date of the enactment of the Modernizing America with Rebuilding to Kickstart the Economy of the
Twenty-first Century with a Historic Infrastructure-Centered Expansion Act, the Secretary shall promulgate a rule designating, based on the criteria under subsection (c)(2), industrial sectors where covered products are liable for the border tax adjustment.

“(2) CONTENT.—The list shall include the amount of the border tax adjustment rate for each covered good in the following calendar year pursuant to section 9914.

“(3) SUBSEQUENT LISTS.—Not later than January 31 of each calendar year after the calendar year in which the Modernizing America with Rebuilding to Kickstart the Economy of the Twenty-first Century with a Historic Infrastructure-Centered Expansion Act is enacted, the Secretary shall publish in the Federal Register an updated version of the list published under paragraph (1).

“(e) ELIGIBLE INDUSTRIAL SECTORS.—

“(1) PRESUMPTIVELY ELIGIBLE INDUSTRIAL SECTORS.—

“(A) ELIGIBILITY CRITERIA.—

“(i) IN GENERAL.—

“(I) Imported covered goods are liable under this part if they are produced in the United States in an in-
dustrial sector that is included in a 6-digit classification of the NAICS that meets the criteria in both clauses (ii) and (iii).

“(II) Exported covered goods are eligible under this part if they are produced in the United States in an industrial sector that is included in a 6-digit classification of the NAICS that meets the criteria in clause (ii).

“(ii) Greenhouse gas intensity.—As determined by the Secretary, an industrial sector meets the criteria of this clause if the United States industrial sector has a greenhouse gas intensity of at least 5 percent, calculated by dividing—

“(I) the number of metric tons of carbon dioxide equivalent greenhouse gas emissions (including direct emissions from fuel combustion, process emissions, and indirect emissions from the generation of electricity used to produce the output of the sector) of the sector based on data described in subparagraph (C), multiplied by the
applicable rate in section 9901(b)(2),

by

“(II) the value of the shipments
of the sector, based on data described
in subparagraph (C).

“(iii) Trade intensity.—As deter-
mined by the Secretary, an industrial sec-
tor meets the criteria of this clause if the
industrial sector has a trade intensity of at
least 15 percent, calculated by dividing—

“(I) the value of the total im-
ports and exports of the sector, by

“(II) the value of the shipments
plus the value of imports of the sec-
tor, based on data described in sub-
paragraph (C).

“(B) Metal and phosphate produc-
tion classified under more than one
NAICS code.—For purposes of this section, the
Secretary shall—

“(i) aggregate data for the
beneficiation or other processing (including
agglomeration) of metal ores, including
iron and copper ores, soda ash, or phos-
phate with subsequent steps in the process
of metal and phosphate manufacturing, regard-
less of the NAICS code under which
the activity is classified, and

“(ii) aggregate data for the manufac-
turing of steel with the manufacturing of
steel pipe and tube made from purchased
steel in a nonintegrated process.

“(C) DATA SOURCES.—

“(i) VALUE OF SHIPMENTS.—

“(I) IN GENERAL.—The Sec-
cretary shall determine the value of
shipments under this subsection from
data from the United States Census
Annual Survey of Manufacturers.

“(II) AVERAGE DATA AVAIL-
ABLE.—The Secretary shall use the
average of data from the most recent
3 years for which the data are avail-
able.

“(III) AVERAGE DATA NOT
AVAILABLE.—If data described in sub-
clause (II) are unavailable, the Sec-
retary shall make a determination
based on—
“(aa) data from the most detailed industrial classification level of the Manufacturing Energy Consumption Survey of the Energy Information Administration, and

“(bb) data from the most recent Economic Census of the United States.

“(IV) DATA NOT AVAILABLE FOR SECTOR.—If data from the Manufacturing Energy Consumption Survey or Economic Census are unavailable for any sector at the 6-digit classification level in the NAICS, the Secretary may use available Manufacturing Energy Consumption Survey or Economic Census data pertaining to a broader industrial category classified in the NAICS.

“(V) DATA NOT AVAILABLE FOR PROCESSING.—If data relating to the beneficiation or other processing (including agglomeration) of metal ores (including iron and copper ores, soda
ash, or phosphate) are not available from the specified data sources, the Secretary—

“(aa) shall use the best available Federal or State government data, and

“(bb) may use, to the extent necessary, representative data submitted by entities that perform the beneficiation or other processing (including agglomeration), in making a determination.

“(ii) IMPORTS AND EXPORTS.—

“(I) IN GENERAL.—The Secretary shall base the value of imports and exports under this subsection on United States International Trade Commission data.

“(II) AVERAGE DATA AVAILABLE.—The Secretary shall use the average of data from the three most recent years for which the data are available.
“(III) AVERAGE DATA NOT AVAILABLE.—If data from the United States International Trade Commission are unavailable for any sector at the 6-digit classification level in the NAICS, the Secretary may use United States International Trade Commission data pertaining to a broader industrial category classified in the NAICS.

“(iii) PERCENTAGES.—The Secretary shall round the greenhouse gas intensity and trade intensity percentages under subparagraph (A) to the nearest whole number.

“(iv) GREENHOUSE GAS EMISSION CALCULATIONS.—When calculating the metric tons of carbon dioxide equivalent greenhouse gas emissions for each sector under subparagraph (A)(ii)(I), the Secretary—

“(I) shall use the best available data from the three most recent years for which the data are available, and
“(II) may, to the extent necessary with respect to a sector, use economic and engineering models and the best available information on technology performance levels for the sector.

“(2) Administrative determination of additional eligible industrial sectors.—

“(A) Updated trade intensity data.—

The Secretary shall designate as liable for carbon tax payments on imported products under this part an industrial sector that—

“(i) met the greenhouse gas intensity criteria in paragraph (1)(A)(ii) as of the date of promulgation of the rule under paragraph (1), and

“(ii) meets the trade intensity criteria established under paragraph (1)(A)(iii), using data sources described in paragraph (1)(C) from any year after the passage of this Act.

“(B) Individual showing petition.—

“(i) Petition.—In addition to designation under subparagraph (A), the owner or operator of an entity or a group
of entities that collectively produce not less than 80 percent of the average annual value of shipments from within the sector of the group consistent with subclause (I), that manufacture similar products in an industrial sector may petition the Secretary to designate as eligible industrial sectors under this part an entity or a group of entities that—

“(I) represent a sector using a standard product classification, and

“(II) meet the respective import and/or export eligibility criteria in paragraph (1)(A)(i).

“(ii) DATA.—In making a determination under this subparagraph, the Secretary shall consider—

“(I) data submitted by the petitioner,

“(II) data solicited by the Secretary from other entities in the sector, and

“(III) data specified in paragraph (1)(C).
“(iii) **Basis of subsector determination.**

“(I) **In general.**—Except as provided in subclause (II), the Secretary shall determine an entity or group of entities to be a subsector of a 6-digit section of the NAICS code based only on the products manufactured and not the industrial process by which the products are manufactured.

“(II) **Type of material.**—The Secretary may determine an entity or group of entities that manufacture a product from primarily virgin material to be a separate subsector from another entity or group of entities that manufacture the same product primarily from recycled material.

“(iv) **Use of most recent data.**—In determining whether to designate a sector or subsector as an eligible industrial sector under this subparagraph, the Secretary shall use the most recent data available from the sources described in para-
graph (1)(C), rather than the data from the years specified in paragraph (1)(C), to determine the trade intensity of the sector or subsector, but only for determining the trade intensity.

“(v) Final Action.—The Secretary shall take final action on a petition described in this subparagraph not later than 180 days after the date the completed petition is received by the Secretary.

“(3) Cessation of Qualifying Activities.—If, as determined by the Secretary, an industrial sector or a covered good within the sector is no longer liable to be designated under this section, the Commissioner shall cease to apply the border tax adjustment on the relevant covered goods with effect from January 1 of the following year.

“SEC. 9914. BORDER TAX ADJUSTMENT RATE.

“(a) Establishment.—The Secretary, with the concurrence of the Commissioner, shall promulgate regulations—

“(1) establishing the products which are liable for, and requiring payment of, the border tax adjustment rate,
“(2) establishing a general methodology for calculating the level of the border tax adjustment rate that a domestic importer of any covered good must submit and the rebate that an exporter will receive,

“(3) establishing an administrative process whereby any determination by the Secretary under this subsection may be appealed,

“(4) exempting from this section products that originate from—

“(A) any country that the United Nations has identified as among the least developed of developing countries, or

“(B) any country that the President has determined to be responsible for less than 0.5 percent of total global greenhouse gas emissions and less than 5 percent of global production in the eligible industrial sector,

“(5) specifying the procedures that the Commissioner will apply for the declaration and entry of covered goods with respect to the eligible industrial sector into the customs territory of the United States, and

“(6) establishing procedures that prevent circumvention of the carbon tax liability for covered
goods that are manufactured or processed in more than one foreign country.

“(b) PRESIDENTIAL DISCRETION.—The President may elect not to levy the border tax adjustment for an eligible industrial sector or for specific products within that sector if the President determines and certifies to Congress that the program would not be in the national interest, economic interest or environmental interest of the United States.”.

(b) CLERICAL AMENDMENT.—The table of subtitles for the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Subtitle L. Greenhouse Gas Emissions.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to emissions after December 31, 2019.

TITLE II—DISTRIBUTION OF REVENUES FROM TAXATION OF GREENHOUSE GAS EMISSIONS

Subtitle A—Rebuilding Infrastructure and Solutions for the Environment Trust Fund

SEC. 201. ESTABLISHMENT OF THE RISE TRUST FUND.

There is hereby created in the Treasury of the United States a trust fund to be known as the “Rebuilding Infra-
structure and Solutions for the Environment Trust Fund’’
(hereafter in this Act referred to as the “RISE Trust
Fund”), consisting of amounts paid into the Treasury pur-
suant to subtitle L of the Internal Revenue Code of 1986
(as added by title I of this Act), and 75 percent of such
amounts are hereby appropriated and transferred to the
RISE Trust Fund.

SEC. 202. APPROPRIATIONS FROM THE RISE TRUST FUND.

(a) In General.—Amounts in the RISE Trust
Fund for a fiscal year shall be available, as provided by
appropriation Acts, as follows:

(1) 70 percent for each of the fiscal years 2021
through 2030 to the Federal Highway Trust Fund.

(2) 1.5 percent for each of the fiscal years 2021
through 2030 for the weatherization program devel-
oped under part A of title IV of the Energy Con-
servation and Production Act (42 U.S.C. 6861 et
seq.).

(3) 3 percent for each of the fiscal years 2021
through 2030 for assistance for displaced energy
workers under section 321.

(4) 2.5 percent for each of the fiscal years 2021
through 2030 to the Airport and Airway Trust Fund
under section 9502 of the Internal Revenue Code of
1986.
(5) 0.1 percent for each of the fiscal years 2021 through 2030 to the Leaking Underground Storage Trust Fund under section 9508 of the Internal Revenue Code of 1986.

(6) 2 percent for each of the fiscal years 2021 through 2030 to the Abandoned Mine Reclamation Fund under section 401 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231).

(7) 5 percent for each of the fiscal years 2021 through 2030 for frequent and chronic coastal flooding mitigation and adaptation infrastructure projects under section 318 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.).

(8) 0.5 percent for each of the fiscal years 2021 through 2030 for Advanced Research Projects Agency-Energy under section 5012 of the America COMPETES Act (42 U.S.C. 16538).

(9) 0.7 percent for each of the fiscal years 2021 through 2030 for the Carbon Capture Research and Development Program of the National Energy Technology Laboratory, Office of Fossil Energy, Department of Energy.

(10) 0.5 percent for each of the fiscal years 2021 through 2030 for assistance for Carbon Storage DOE Fossil Energy Research, Development, and
Demonstration Program Areas, Coal Program Area (Carbon Storage).

(11) 0.5 percent for each of the fiscal years 2021 through 2030 for assistance to the National Energy Technology Laboratory of the Office of Fossil Energy for the research and development of Direct Air Capture technologies.

(12) 0.5 percent for each of the fiscal years 2021 through 2030 for research and development relating to energy storage by battery through the Office of Electricity Delivery and Energy Reliability, Department of Energy.

(13) 10 percent for each of the fiscal years 2021 through 2030 for State grants under section 203.

(14) 0.1 percent for each of the fiscal years 2021 through 2030 to the Reforestation Trust Fund (16 U.S.C. 1606a).

(15) 0.1 percent for each of the fiscal years 2021 through 2030 for assistance through cooperative agreements to decrease the environmental impact of energy-related activities pursuant to section 931 of the Energy Policy Act of 2005 (42 U.S.C. 16231).
(16) 2.5 percent for each of the fiscal years 2021 through 2030 for the environmental quality incentives program under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839 aa et. seq.) for payments to producers to implement practices that promote improvements identified in subparagraphs (A) and (C) of section 1240B(d)(3) of such Act (16 U.S.C. 3839aa-2).

(17) 0.5 percent for each of fiscal years 2021 through 2030 for the regional conservation partnership program under section 1271 of the Food Security Act of 1985 (16 U.S.C. 3871) for eligible activities on eligible land through partnership agreements with eligible partners and contracts with producers that address one of the following goals:

(A) Soil health.

(B) Nutrient management.

(C) Forest restoration.

(D) Reduction of methane emissions.

(E) Other related activities that the Secretary determines will help achieve conservation benefits and increase carbon sequestration or reduce greenhouse gas emissions.

(b) Direct Air Capture.—For purposes of subsection (a)(11), the term “direct air capture” refers to
equipment that captures carbon dioxide directly from the ambient air. Such term shall not include any equipment which captures carbon dioxide which is deliberately released from naturally occurring subsurface springs or using natural photosynthesis.

(c) CONFORMING AMENDMENTS.—

(1) LEAKING UNDERGROUND STORAGE TANK TRUST FUND.—Section 9508(b) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting “, and”, and by inserting after paragraph (4) the following:

“(5) amounts transferred under section 202(a)(5) of the Modernizing America with Rebuilding to Kickstart the Economy of the Twenty-first Century with a Historic Infrastructure-Centered Expansion Act.”.

(2) REFORESTATION TRUST FUND.—

(A) SOURCE OF FUNDS.—Section 303(a) of the Act of October 14, 1980 (16 U.S.C. 1606a(a)) is amended by striking “subsection (b)(1)” and inserting “paragraph (1) or (4) of subsection (b)”.

July 18, 2018 (8:15 p.m.)
(B) SPECIAL RULE RELATING TO LIMITATION.—Section 303(b) of the Act of October 14, 1980 (16 U.S.C. 1606a(b)) is amended—

(i) in paragraph (2) by inserting “under paragraph (1)” after “transfer”, and

(ii) by adding at the end the following:

“(4) Not later than 9 months after the enactment of the Modernizing America with Rebuilding to Kickstart the Economy of the Twenty-first Century with a Historic Infrastructure-Centered Expansion Act, the Secretary shall transfer to the Trust Fund the amounts made available under section 202(a)(13) of such Act.”.

SEC. 203. STATE GRANTS.

(a) IN GENERAL.—From amounts made available under section 202(a)(12), the Secretary shall make a monthly grant to each State (hereafter in this section referred to as “State grant”) on the condition that the State makes distributions to eligible low-income households from the State grant.

(b) ELIGIBLE FAMILIES.—A household shall be considered to be an eligible household for purposes of this section if—
(1) except as provided in subsection (d)(4), the gross income of the household does not exceed 150 percent of the poverty line;

(2) the appropriate State agency for the State in which the household is located determines that the household is participating in—

(A) the Supplemental Nutrition Assistance Program authorized by the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(B) the Food Distribution Program on Indian Reservations authorized by section 4(b) of such Act (7 U.S.C. 2013(b)); or

(C) the program for nutrition assistance in Puerto Rico or American Samoa under section 19 of such Act (7 U.S.C. 2028);

(3) the household consists of a single individual or a married couple, and—

(A) receives the subsidy described in section 1860D–14 of the Social Security Act (42 U.S.C. 1395w-114); or

(B)(i) participates in the program under title XVIII of the Social Security Act; and

(ii) meets the income requirements described in section 1860D–14(a)(1) or (a)(2) of
the Social Security Act (42 U.S.C. 1395w-114(a)(1) or (a)(2)); or

(4) the household consists of a single individual or a married couple, and receives benefits under the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381–1383f).

(c) AMOUNT.—The Secretary, in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall determine the amount of each State grant based on the percentage of total United States energy-related greenhouse gas emissions attributable to electricity, natural gas, gasoline, diesel, and fuel ethanol sold in each State during the preceding calendar year.

(d) RULE RELATING TO PROCESS.—Not later than 1 year after the enactment of this Act, the Secretary shall establish by rule a date in each year by which each State shall notify the Secretary that the State intends to distribute the State Grant for the following year. The Secretary shall transfer the State Grant to each State only upon the State demonstrating to the Secretary’s satisfaction that the State intends to distribute the State Grant in accordance with this section.
(e) **STATE.**—For the purposes of this section, the term “State” includes the District of Columbia and any territory of possession of the United States.

**Subtitle B—Certain Manufacturers Excise Taxes**

**SEC. 211. REPEAL OF FEDERAL MOTOR VEHICLE AND AVIATION FUEL TAXES.**

(a) **IN GENERAL.**—Subpart A of part III of subchapter A of chapter 32 of the Internal Revenue Code of 1986 is hereby repealed.

(c) **EFFECTIVE DATE.**—The repeal made by subsection (a) shall apply to transactions after December 31, 2019.

**TITLE III—AMENDMENTS TO OTHER LAWS**

**Subtitle A—Amendments to Federal Environmental Statutes**

**SEC. 301. AMENDMENTS TO THE CLEAN AIR ACT.**

(a) **IN GENERAL.**—Title III of the Clean Air Act (42 U.S.C. 7601) is amended by adding at the end the following:

“SEC. 330. MORATORIUM AGAINST CERTAIN REGULATIONS BASED ON GREENHOUSE GAS EFFECTS.

“(a) **FUELS.**—Unless specifically authorized in section 202, 211, 213, 231, or this section, after a fossil fuel
has passed through a point of taxation as provided in section 9901(d) of the Internal Revenue Code of 1986, subject to subsection (g), the Administrator shall not finalize or enforce any rule limiting the emission of greenhouse gases from the combustion of that fuel under this Act (or impose any requirement on any State to limit such emission) on the basis of the emission’s greenhouse gas effects.

“(b) EMISSIONS.—Unless specifically authorized in section 202, 211, 213, 231, or this section, if emission of any greenhouse gas is subject to taxation pursuant to any of sections 9902 through 9903 of the Internal Revenue Code of 1986, the Administrator shall not finalize or enforce any rule limiting such emission under this Act (or impose any requirement on any State to limit such emission) on the basis of the emission’s greenhouse gas effects.

“(c) AUTHORIZED REGULATION.—Notwithstanding subsections (a) and (b), nothing in this section limits the Administrator’s authority pursuant to any other provision of this Act—

“(1) to limit the emission of any greenhouse gas because of any adverse impact on health or welfare other than its greenhouse gas effects;

“(2) in limiting emissions as described in paragraph (1), to consider the collateral benefits of lim-
iting the emissions because of greenhouse gas effects;

“(3) to limit the emission of any other pollutant that is not a greenhouse gas that the Administrator determines by rule has heat-trapping properties; or

“(4) to take any action with respect to any greenhouse gas other than limiting its emission, including—

“(A) monitoring, reporting, and record-keeping requirements;

“(B) conducting or supporting investigations; and

“(C) information collection.

“(d) EXCEPTION FOR CERTAIN GREENHOUSE GAS EMISSIONS.—Notwithstanding subsections (a) and (b), nothing in this section limits the Administrator’s authority to regulate greenhouse gas emissions from—

“(1) facilities that are subject to—

“(A) subparts OOOO or OOOOa of part 60 of title 40, Code of Federal Regulations, as in effect on January 1, 2018, or

“(B) would be subject to either subpart OOOO or subpart OOOOa if those subparts applied to such facilities regardless of the date on
which construction, modification or reconstruction commenced, and

“(2) POTW Treatment Plants (as defined in section 403.3(r) of title 40, Code of Federal Regulations).

“(e) DEFINITIONS.—In this section, the terms ‘greenhouse gas’ and ‘greenhouse gas effects’ have the meanings given to those terms in section 9907 of the Internal Revenue Code of 1986.

“(f) MORATORIUM EXPIRATION.—The moratoria on the Administrator finalizing or enforcing rules limiting the emission of greenhouse gases in sections 330(a), 330(b), and 211(c)(5) of this Act shall expire on January 1, 2033.

“(g) EXCEPTIONS.—

“(1) 2024.—Notwithstanding subsections (a) and (b) and section 211(c)(5) of this Act, if the Administrator determines by March 30, 2025, pursuant to the report required by section 9901(b)(3)(A) of the Internal Revenue Code of 1986, that total greenhouse gas emissions subject to taxation under sections 9901 through 9903 of such Code during the period 2020 through 2024 exceed the emission level specified in section 9901(b)(3)(A) of such Code for calendar year 2024, then beginning on October 1, 2025, the prohibition in subsections (a) and (b) and
section 211(c)(5) of this Act on finalizing or enforcing rules limiting the emission of greenhouse gases (and imposing any requirement on any State to limit such emission) shall not apply.

“(2) 2028.—Notwithstanding subsections (a) and (b) and section 211(c)(5) of this Act, if the Administrator determines by March 30, 2029, pursuant to the report required by section 9901(b)(3)(A) of the Internal Revenue Code of 1986, that total greenhouse gas emissions subject to taxation under sections 9901 through 9903 of such Code during the period 2020 through 2028 exceed the emission level specified in section 9901(b)(3)(A) of such Code for calendar year 2028, then beginning on October 1, 2029, the prohibition in subsections (a) and (b) and section 211(c)(5) of this Act on finalizing or enforcing rules limiting the emission of greenhouse gases (and imposing any requirement on any State to limit such emission) shall not apply.”.

(b) NEW MOTOR VEHICLES AND NEW MOTOR VEHICLE ENGINES.—Section 202(b) of the Clean Air Act (42 U.S.C. 7521(b)) is amended—

(1) by redesignating the second paragraph (3) (as redesignated by section 230(4)(C) of Public Law 101–549 (104 Stat. 2529)) as paragraph (4); and
(2) by adding at the end the following:

“(5) Notwithstanding section 330(a), the Administrator may—

“(A) limit the emission of any greenhouse gas (as defined in section 9907 of the Internal Revenue Code of 1986) on the basis of the emission’s greenhouse gas effects (as defined in section 9907 of the Internal Revenue Code of 1986) from any class or classes of new motor vehicles or new motor vehicle engines subject to regulation under subsection (a)(1); and

“(B) grant a waiver under section 209(b)(1) for standards for the control of greenhouse gas emissions.”.

(c) FUELS.—Section 211(c) of the Clean Air Act (42 U.S.C. 7545(c)) is amended by adding at the end the following new paragraph:

“(5) Except as required in section 211(o), the Administrator shall not, pursuant to this subsection, impose on any manufacturer, processor, or distributor of fuel any requirement for the purpose of reducing the emission of any greenhouse gas (as defined in section 9907 of the Internal Revenue Code of 1986) produced by combustion of the fuel on the basis of the emission’s greenhouse gas effects
as defined in section 9907 of the Internal Revenue Code of 1986).”.

(d) NONROAD ENGINES AND VEHICLES EMISSIONS STANDARDS.—Section 213 of the Clean Air Act (42 U.S.C. 7547) is amended by adding at the end the following:

“(e) GREENHOUSE GAS EMISSIONS.—Notwithstanding subsections (a) and (b) of section 330, the Administrator may limit the emission of any greenhouse gas (as defined in section 9907 of the Internal Revenue Code of 1986) on the basis of the emission’s greenhouse gas effects (as defined in section 9907 of the Internal Revenue Code of 1986) from any nonroad engines and nonroad vehicles subject to regulation under this section.”.

(c) AIRCRAFT EMISSION STANDARDS.—Section 231 of the Clean Air Act (42 U.S.C. 757) is amended by adding at the end the following new subsection:

“(d) Notwithstanding subsections (a) and (b) of section 330, the Administrator may limit the emission of any greenhouse gas (as defined in section 9907 of the Internal Revenue Code of 1986) on the basis of the emission’s greenhouse gas effects (as defined in section 9907 of the Internal Revenue Code of 1986) from any class or classes of aircraft engines, so long as any such limitation is not
more stringent than the standards adopted by the International Civil Aviation Organization.”.

SEC. 302. FREQUENT AND CHRONIC COASTAL FLOODING MITIGATION AND ADAPTATION INFRASTRUCTURE PROJECTS.

The Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.) is amended by redesignating sections 318 and 319 as section 320 and 321, and by inserting after section 317 the following:

“SEC. 318. FREQUENT AND CHRONIC COASTAL FLOODING MITIGATION AND ADAPTATION INFRASTRUCTURE PROJECTS.

“(a) In General.—The Secretary may make grants to State and local governments and federally recognized Indian Tribes for frequent and chronic coastal flooding mitigation and adaptation infrastructure projects.

“(b) Authorized Uses.—Amounts provided as a grant under this section may be used for any of the following:

“(1) Adaptation of existing infrastructure, including enhancements to both built and natural environments.

“(2) Maintenance and updating of existing frequent and chronic coastal flood risk reduction infra-
structure, such as gravity drainage structures, road
elevation, bulkheads, gates, and floodwalls.

“(3) Increasing waterfront resilience to fre-
quent and chronic coastal flooding, including (as
combined or separate projects)—

“(A) the creation of bulkheads, levees, and
living shorelines; and

“(B) coastal habitat restoration work, in-
cluding dune enhancement, vegetative restora-
tion, beach renourishment, coral and oyster reef
restoration, and other actions to restore the
function of the natural coastal ecological func-
tion and processes to provide flood risk reduc-
tion benefits.

“(4) Improvements to diversion, removal, and
storage infrastructure to reduce risks caused by fre-
quent and chronic coastal flooding.

“(5) Innovative methods to reduce risks caused
by chronic flooding along street infrastructure sys-
tems, including canal streets, absorbent streets,
floodable parks, bioswales, rain gardens, permeable
pavement, and underground cisterns.

“(6) Deployment of technologies designed to
mitigate power outages, continue delivery of vital
electricity services, and maintain the flow of power
to facilities critical to public health, safety and welfare, including distributed generation, energy storage, and microgrids.

“(c) LIMITATION ON PROJECT ELIGIBILITY.—A project shall not be eligible for funding under this section if it will have any long-term negative impact on important ecological functions and habitat or existing natural coastal protection features and functions.

“(d) PRIORITY.—In making grants under this section the Secretary shall give priority to the following:

“(1) Protecting areas designated as special flood hazard areas for purposes of the national flood insurance program under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) and the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.).

“(2) Projects in areas designated as such special flood hazard areas that incorporate at least 2 feet of additional freeboard, or 3 feet in the case of critical infrastructure, above base flood elevation.

“(3) Protecting critical infrastructure, as that term is defined in Homeland Security Presidential Directive 7 as issued December 17, 2003.
“(4) Projects that yield flood risk reduction benefits and additional environmental, social, and economic benefits.

“(e) Joint Application.—Two or more contiguous local governments or Tribes may jointly apply for, and receive, a grant under this section.

“(f) Cost Sharing.—

“(1) Limitation on Federal share.—The Federal share of the cost of any activity carried out with a grant under this section shall not exceed 90 percent of the cost of such activity.

“(2) Non-Federal share.—The Secretary shall apply to the non-Federal share of an activity carried out with a grant under this section the amount of funds, and the fair market value of property and services, provided by non-Federal sources and used for the activity.

“(g) Reports.—Each recipient of a grant under this section shall report annually to the Secretary on progress made on the project carried out with the grant.”.
Subtitle B—Assistance to Displaced Workers in the Energy Sector

SEC. 321. ASSISTANCE TO DISPLACED WORKERS IN THE ENERGY SECTOR.

For a period of 10 years after the enactment of the Modernizing America with Rebuilding to Kickstart the Economy of the Twenty-first Century with a Historic Infrastructure-Centered Expansion Act, from amounts made available under section 202 of this Act, the Secretary of Labor shall implement a program to assist workers in the energy sector that may be displaced as a result of the enactment of this Act. This assistance may take the form of the following:

1. Worker retraining.
2. Relocation expenses for those who move to find new employment.
3. Early retirement.
5. Other assistance that the Secretary determines appropriate.

TITLE IV—NATIONAL CLIMATE COMMISSION

SEC. 401. ESTABLISHMENT OF COMMISSION.

On the date of enactment of this Act, there is established a bipartisan commission to be known as the “Na-
tional Climate Commission” (in this title referred to as “the Commission”).

SEC. 402. DUTIES OF COMMISSION.

The Commission shall—

(1) meet not less than once every 3 years;

(2) use as its goals for emissions reductions those estimated rates of reduction that reflect the latest scientific findings of what is needed to avoid serious human health and environmental consequences of a changing climate;

(3) undertake a comprehensive review of economically viable public and private actions or policies to reduce greenhouse gas emissions in the United States;

(4) assess the impact and progress of existing policies and programs with the aim of achieving emissions reduction goals;

(5) beginning in 2026, and every 6 years thereafter, issue a report to the President, Congress, and the States, which shall include—

(A) an analysis of whether existing policies and programs are on pace to achieving emissions reduction goals;

(B) recommendations for reducing greenhouse gas emissions; and
(C) if applicable, a minority report with dissenting views.

SEC. 403. MEMBERSHIP OF COMMISSION.

(a) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Commission shall be composed of 10 members, appointed as follows:

(1) The President shall appoint 1 member, who shall serve as cochairman of the Commission.

(2) The leader of the Senate of the opposite party of the President, in consultation with the leader of the House of Representatives of the opposite party of the President, shall appoint 1 member, who shall serve as cochairman of the Commission.

(3) The majority leader of the Senate shall appoint 2 members.

(4) The minority leader of the Senate shall appoint 2 members.

(5) The Speaker of the House of Representatives shall appoint 2 members.

(6) The minority leader of the House of Representatives shall appoint 2 members.

(d) ELIGIBLE MEMBERS.—To be considered for membership on the Commission, an individual shall be a representative from—
(1) academic, scientific, or other nongovernmental organizations with expertise in the economy, energy, climate, or public health; or

(2) industry organizations, including small businesses, from relevant sectors such as—

(A) energy supply and transmission, including fossil fuels and renewable energy;

(B) energy exploration and production, including fossil fuels and renewable energy;

(C) solid waste and wastewater;

(D) transportation;

(E) chemical manufacturing and user industries;

(F) agriculture;

(G) construction and development; and

(H) forestry.

(c) Ineligible Members.—No employee, owner, director, or other affiliated person of an entity which has contributed pursuant to section 404(a) may be appointed to the Commission.

(b) Initial Meeting.—The Commission shall meet not later than 2 years after the date of enactment of this Act.

(c) Terms.—The term of office for members of the Commission shall be for 6 years, which may be renewed.
A vacancy in the Commission shall not affect the powers of the Commission and shall be filled in the same manner in which the original appointment was made.

(d) QUORUM.—Six members of the Commission shall constitute a quorum.

(e) COMPENSATION.—

(1) PROHIBITION OF COMPENSATION OF FEDERAL EMPLOYEES.—Members of the Commission who are full-time officers or employees of the United States may not receive additional pay, allowances, or benefits by reason of their service on the Commission.

(2) COMPENSATION OF NON-FEDERAL EMPLOYEES.—Except as provided in paragraph (1), each member of the Commission may be compensated at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission.

(3) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions.
under subchapter I of chapter 57 of title 5, United States Code.

SEC. 404. FUNDING FOR THE ACTIVITIES OF THE COMMISSION.

(a) PRIVATE SECTOR DONATIONS.—The Secretary of the Treasury may collect and disseminate to the Commission private sector funds donated for the purposes of this title.

(b) LIMITATION.—Except for funds donated under subsection (a), additional funds may not be authorized to be appropriated to pay for the activities of the Commission.

(c) TRANSPARENCY.—The amounts and sources of all funds donated under subsection (a) and all spending by the Commission shall be made publicly available on an internet website.

SEC. 405. POWER OF THE COMMISSION.

(a) OBTAINING OFFICIAL DATA.—

(1) IN GENERAL.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the Government, unrestricted information, suggestions, estimates, and statistics for the purposes of this title. Each department, bureau, agency, board, com-
mission, office, independent establishment, or instrumentality shall, to the extent authorized by law, furnish such unrestricted information, suggestions, estimates, and statistics directly to the Commission, upon request made by the chairman or any member designated by a majority of the Commission.

(2) Receipt, handling, storage, and dissemination.—Unrestricted information shall only be received, handled, stored, and disseminated by members of the Commission and its staff consistent with all applicable statutes, regulations, and Executive orders.

(b) Assistance From Federal Agencies.—

(1) General Services Administration.—
The Administrator of General Services shall provide to the Commission on a reimbursable basis administrative support and other services for the performance of the functions of the Commission.

(2) Other Departments and Agencies.—In addition to the assistance prescribed in paragraph (1), departments and agencies of the United States may provide to the Commission such services, funds, facilities, staff, and other support services as they may determine advisable and as may be authorized by law.
(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

SEC. 406. STAFF OF THE COMMISSION.

(a) DETAILLEES.—Any Federal Government employee may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(b) CONSULTANT SERVICES.—The Commission is authorized to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code.