

118TH CONGRESS  
1ST SESSION

# H. R. 6665

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.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 7, 2023

Mr. FITZPATRICK (for himself and Mr. CARBAJAL) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, Natural Resources, Education and the Workforce, Transportation and Infrastructure, Science, Space, and Technology, and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## 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.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Modernizing America with Rebuilding to Kickstart the

1 Economy of the Twenty-first Century with a Historic In-  
 2 frastructure-Centered Expansion Act” or the “MARKET  
 3 CHOICE Act”.

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

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

#### TITLE I—GREENHOUSE GAS EMISSIONS

Sec. 101. Treatment of domestic greenhouse gas emissions.  
 Sec. 102. Border greenhouse gas adjustments.

#### 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. 202. Appropriations from 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.  
 Sec. 212. Modifications of qualifying advanced coal project credit.

#### 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 flooding mitigation and adaptation infrastruc-  
 ture projects.  
 Sec. 303. No preemption of State law.

##### 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. Powers of Commission.  
 Sec. 404. Funding for the activities of the Commission.  
 Sec. 405. Staff of the Commission.

## 6 **SEC. 2. FINDINGS.**

7 Congress finds that—

1           (1) roads, bridges, airports, and urban trans-  
2           portation systems are essential to the economic and  
3           national security of the United States;

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

7           (3) strategic investments in new infrastructure  
8           will allow for economic growth and dynamism in the  
9           21st century;

10          (4) there has been a marked increase in ex-  
11          treme weather events and the negative impacts of a  
12          changing climate are expected to worsen in every re-  
13          gion of the United States;

14          (5) if left unaddressed, the consequences of a  
15          changing climate have the potential to adversely im-  
16          pact the health of all Americans, harm the economy,  
17          and impose substantial costs on local, State, and  
18          Federal budgets;

19          (6) efforts to reduce climate risk should protect  
20          our Nation's economy, security, infrastructure, agri-  
21          culture, water supply, public health, and public safe-  
22          ty; and

23          (7) there is bipartisan support for pursuing ef-  
24          forts to reduce greenhouse gas emissions through

1 economically viable, broadly supported private and  
 2 public policies and solutions.

3 **TITLE I—GREENHOUSE GAS**  
 4 **EMISSIONS**

5 **SEC. 101. TREATMENT OF DOMESTIC GREENHOUSE GAS**  
 6 **EMISSIONS.**

7 (a) IN GENERAL.—The Internal Revenue Code of  
 8 1986 is amended by adding at the end the following new  
 9 subtitle:

10 **“Subtitle L—Greenhouse Gas**  
 11 **Emissions**

12 **“PART 1—TAXATION OF GREENHOUSE GAS**  
 13 **EMISSIONS**

“Sec. 9901. Imposition of tax on combusted fossil fuel greenhouse gas emis-  
 sions.

“Sec. 9902. Imposition of tax on greenhouse gas emissions from certain indus-  
 trial processes.

“Sec. 9903. Imposition of tax on greenhouse gas emissions from certain prod-  
 uct uses.

“Sec. 9904. Calculation of taxable emissions.

“Sec. 9905. Credit for state payments.

“Sec. 9906. Penalties for nonpayment.

“Sec. 9907. Definitions.

14 **“SEC. 9901. IMPOSITION OF TAX ON COMBUSTED FOSSIL**  
 15 **FUEL GREENHOUSE GAS EMISSIONS.**

16 “(a) IN GENERAL.—There is hereby imposed a tax  
 17 on fossil fuels produced within, or imported into, the  
 18 United States.

19 “(b) RATE OF TAX.—

1           “(1) GREENHOUSE GASES THAT WOULD BE RE-  
2           LEASED IF THE FOSSIL FUEL WERE COMBUSTED.—  
3           The tax imposed by subsection (a) shall be the appli-  
4           cable amount per ton of carbon dioxide equivalent of  
5           all greenhouse gasses that would be released if the  
6           fossil fuel were combusted.

7           “(2) APPLICABLE AMOUNT OF CARBON DIOXIDE  
8           EQUIVALENT EMISSIONS.—For purposes of para-  
9           graph (1), the term ‘applicable amount’ means—

10                   “(A) for calendar year 2025, \$35 per met-  
11                   ric ton of carbon dioxide equivalent emissions,  
12                   and

13                   “(B) for each calendar year after 2025,  
14                   the tax rate shall be the sum of—

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

17                           “(ii) the sum of—

18                                   “(I) 5 percentage points, plus

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

23           “(3) CONSUMER PRICE INDEX FOR ANY CAL-  
24           ENDAR YEAR.—For purposes of subparagraph (B),  
25           the Consumer Price Index for the previous calendar

1 year is the average of the Consumer Price Index for  
2 all-urban consumers published by the Department of  
3 Labor as of the close of the 12-month period ending  
4 on August 31 of such calendar year. For purposes  
5 of the preceding sentence, the revision of the Con-  
6 sumer Price Index which is most consistent with the  
7 Consumer Price Index for calendar year 1986 shall  
8 be used.

9 “(4) RATE ADJUSTMENT BASED ON EMISSION  
10 LEVELS.—

11 “(A) REPORT.—Not later than March 30,  
12 2026, and annually thereafter, the Secretary  
13 and the Administrator shall jointly report the  
14 emissions during the calendar year ending on  
15 the preceding December 31 from sources sub-  
16 ject to taxation under this part. The report  
17 shall determine whether the cumulative amount  
18 of annual emissions reported for the period be-  
19 ginning in calendar year 2025 and through the  
20 end of the preceding calendar year were less  
21 than the emissions levels specified in the fol-  
22 lowing schedule:

23 “(i) The total emissions through cal-  
24 endar year 2025 are 4,700 million metric  
25 tons of carbon dioxide equivalent.

1           “(ii) The total emissions through cal-  
2           endar year 2026 are 9,400 million metric  
3           tons of carbon dioxide equivalent.

4           “(iii) The total emissions through cal-  
5           endar year 2027 are 14,000 million metric  
6           tons of carbon dioxide equivalent.

7           “(iv) The total emissions through cal-  
8           endar year 2028 are 18,300 million metric  
9           tons of carbon dioxide equivalent.

10          “(v) The total emissions through cal-  
11          endar year 2029 are 22,600 million metric  
12          tons of carbon dioxide equivalent.

13          “(vi) The total emissions through cal-  
14          endar year 2030 are 26,800 million metric  
15          tons of carbon dioxide equivalent.

16          “(vii) The total emissions through cal-  
17          endar year 2031 are 31,000 million metric  
18          tons of carbon dioxide equivalent.

19          “(viii) The total emissions through  
20          calendar year 2032 are 35,100 million  
21          metric tons of carbon dioxide equivalent.

22          “(ix) The total emissions through cal-  
23          endar year 2033 are 39,100 million metric  
24          tons of carbon dioxide equivalent.

1           “(x) The total emissions through cal-  
2           endar year 2034 are 43,100 million metric  
3           tons of carbon dioxide equivalent.

4           “(xi) The total emissions through cal-  
5           endar year 2035 are 47,100 million metric  
6           tons of carbon dioxide equivalent.

7           “(B) ADJUSTMENTS FOR REPORT PE-  
8           RIOD.—

9           “(i) IN GENERAL.—Not later than  
10          March 30, 2027, and every two years  
11          thereafter, the Secretary shall determine  
12          whether an adjustment is required in ac-  
13          cordance with clause (ii).

14          “(ii) PERIOD THROUGH 2036.—If the  
15          emission level reported under subpara-  
16          graph (A) for calendar year 2026, and  
17          every second calendar year thereafter  
18          through calendar year 2036, exceeds the  
19          level for such calendar year specified in  
20          clauses (i) through (xi) of subparagraph  
21          (A), then the applicable amount under  
22          paragraph (2) for the calendar year begin-  
23          ning on the next January 1 following the  
24          determination in clause (i) shall, after the  
25          increase under paragraph (2) for such next

1           calendar year, be increased by an addi-  
2           tional \$4 per metric ton.

3           “(c) BY WHOM PAID.—The tax imposed by sub-  
4 section (a) shall be paid by the owner of the fossil fuel  
5 at the point of taxation.

6           “(d) POINT OF TAXATION.—

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

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

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

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

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

23           “(e) EXEMPTIONS.—

24           “(1) EXEMPTION FOR NONCOMBUSTIVE  
25 USES.—

1           “(A) REFUND FOR REDUCTION OR ELIMI-  
2           NATION OF EMISSIONS.—Any manufacturer of a  
3           product that incorporates a fossil fuel that has  
4           been taxed under this section who can dem-  
5           onstrate to the Secretary that the fossil fuel has  
6           been transformed via the manufacture of the  
7           product so that the fossil fuel’s emissions will  
8           be reduced or eliminated over the product’s life-  
9           time shall be entitled to a refund of the tax  
10          paid under this section on the proportion of the  
11          emissions reduced thereby, as determined by  
12          the Secretary.

13          “(B) RULE.—The Secretary, in consulta-  
14          tion with the Administrator, shall establish by  
15          rule the criteria and process by which product  
16          manufacturers can demonstrate that the condi-  
17          tions in subparagraph (A) have been satisfied.

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

1           “(2) EXEMPTION FOR CARBON CAPTURE AND  
2 STORAGE.—

3           “(A) REFUND FOR SEQUESTERS.—Any  
4 person who sequesters greenhouse gas emissions  
5 resulting from the combustion of fossil fuel that  
6 has passed through a point of taxation shall be  
7 entitled to a refund of the tax imposed by this  
8 section. Emissions that are used for enhanced  
9 oil recovery shall be entitled for such refund  
10 provided that these emissions meet all of the  
11 criteria applicable to other emissions that qual-  
12 ify for such refund.

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

18           “(C) TIME OF REFUND.—The Secretary  
19 may not refund any amounts under this para-  
20 graph until such time as the Secretary has pub-  
21 lished the regulations described in section  
22 45Q(f)(2).

1 **“SEC. 9902. IMPOSITION OF TAX ON GREENHOUSE GAS**  
2 **EMISSIONS FROM CERTAIN INDUSTRIAL**  
3 **PROCESSES.**

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

7 “(b) LIST OF SOURCE CATEGORIES.—

8 “(1) INITIAL LIST.—The Congress establishes  
9 for purposes of this section a list of source cat-  
10 egories subject to this section as follows:

11 “(A) Iron and steel production and met-  
12 allurgical coke production.

13 “(B) Underground coal mining.

14 “(C) Coal preparation and processing  
15 plants.

16 “(D) Refineries.

17 “(E) Cement production.

18 “(F) Petrochemical production.

19 “(G) Lime production.

20 “(H) Ammonia production.

21 “(I) Aluminum production.

22 “(J) Soda ash production.

23 “(K) Ferroalloy production.

24 “(L) Phosphoric acid production.

25 “(M) Glass production.

26 “(N) Zinc production.

1           “(O) Lead production.

2           “(P) Magnesium production and pro-  
3           cessing.

4           “(Q) Nitric acid production.

5           “(R) Adipic acid production.

6           “(S) Semiconductor manufacture.

7           “(T) Electrical transmission and distribu-  
8           tion.

9           “(2) REVISION OF THE LIST.—The Adminis-  
10          trator shall review the list of source categories estab-  
11          lished by this subsection not less than once every  
12          five years to determine if they should continue to be  
13          listed and publish the results of that review. The Ad-  
14          ministrator may, if appropriate, add any source cat-  
15          egories to this list by rule.

16          “(3) REMOVAL OF A SOURCE CATEGORY FROM  
17          THE LIST.—The Administrator may remove a source  
18          category from this list only if—

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

24                 “(B) the average emissions from facilities  
25                 in the source category which are taxable under

1 this section have been less than 25,000 metric  
2 tons of carbon dioxide equivalent per year for  
3 each of the years referred in subparagraph (A),  
4 and

5 “(C) the Administrator determines that  
6 there is no reasonable possibility that the total  
7 emissions from the entire source category which  
8 are taxable under this section will exceed  
9 250,000 metric tons per year of carbon dioxide  
10 equivalent within any of the five years following  
11 such determination.

12 “(4) ADDITION OF A SOURCE CATEGORY TO  
13 THE LIST.—The Administrator may add a source  
14 category to this list only if the Administrator deter-  
15 mines that—

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

21 “(B) the average emissions from facilities  
22 in the source category which are taxable under  
23 this section have been greater than 25,000 met-  
24 ric tons per year of carbon dioxide equivalent in  
25 the years in which emissions from the entire

1 source category have been greater than 250,000  
2 tons per year, and

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

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

11 “(d) BY WHOM PAID.—The tax imposed by sub-  
12 section (a) shall be paid by the owner or operator of the  
13 point of taxation.

14 “(e) POINT OF TAXATION.—The point of taxation  
15 shall be any facility in a source category which emits more  
16 than 25,000 metric tons of carbon dioxide equivalent sub-  
17 ject to taxation under this section in any calendar year.

18 **“SEC. 9903. IMPOSITION OF TAX ON GREENHOUSE GAS**

19 **EMISSIONS FROM CERTAIN PRODUCT USES.**

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

25 “(b) LIST OF PRODUCTS.—

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

4                   “(A) Fuel ethanol.

5                   “(B) Industrial carbonates.

6                   “(C) Carbon dioxide urea.

7                   “(D) Soda ash.

8                   “(E) Nitrous oxide.

9                   “(F) Ozone depleting substances, but not  
10 if the United States has ratified the Kigali  
11 Amendment to the Montreal Protocol and is  
12 subject to Article 2J, paragraph 1 of the  
13 Amended Montreal Protocol.

14                   “(G) Biodiesel.

15                   “(H) Solid biomass fuels.

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

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

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

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

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

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

20               “(B) there is a reasonable possibility that  
21               the total emissions from all of the product used  
22               within the United States will be greater than  
23               250,000 metric tons per year of carbon dioxide  
24               equivalent in any year within the next five years  
25               following such determination.

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

3       “(d) BY WHOM PAID.—The tax imposed by sub-  
4 section (a) shall be paid—

5           “(1) for products manufactured in the United  
6 States, by the owner or operator of the point of tax-  
7 ation, and

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

11       “(e) POINT OF TAXATION.—The point of taxation  
12 shall be—

13           “(1) for products manufactured in the United  
14 States, the manufacturing facility,

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

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

23 **“SEC. 9904. CALCULATION OF TAXABLE EMISSIONS.**

24       “(a) HOW TO CALCULATE TAXABLE EMISSIONS.—  
25 In consultation with the Department of Energy, the Ad-

1 administrator shall establish by rule (and may, from time  
2 to time, revise) the method by which taxable emissions  
3 under this part shall be calculated.

4 “(b) CATEGORIES AND SUBCATEGORIES CONSID-  
5 ERED.—For purposes of calculating emissions taxable  
6 under—

7 “(1) section 9901, the Administrator shall de-  
8 termine by rule the amount of carbon dioxide equiv-  
9 alent that would be emitted if each fossil fuel were  
10 combusted, and the Administrator may establish by  
11 rule such subcategories of each fuel and the means  
12 by which it is combusted as the Administrator deems  
13 appropriate,

14 “(2) section 9902, the Administrator may de-  
15 termine by rule such subcategories of any industrial  
16 process category listed in subsection 9902(b) as the  
17 Administrator deems appropriate, and

18 “(3) section 9903, for fuel ethanol, biodiesel,  
19 and solid biomass fuels the Administrator shall de-  
20 termine by rule the amount of carbon dioxide equiv-  
21 alent that would be emitted based on the lifecycle  
22 greenhouse gas emissions of the product (excluding  
23 emissions from fossil fuels that have passed through  
24 a point of taxation), and the Administrator may de-  
25 termine by rule such subcategories of manufactured

1 products listed in subsection 9903(b) as the Admin-  
2 istrator deems appropriate.

3 “(c) METHODS.—Where greenhouse gas emissions  
4 subject to taxation under any section of this part are com-  
5 bined with greenhouse gas emissions subject to taxation  
6 under any other section of this part, the Administrator  
7 shall ensure, to the greatest degree possible, that the  
8 methods required to determine the emissions taxable  
9 under any section of this part do not include any emissions  
10 taxable under any other section of this part.

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

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

1 **“SEC. 9905. CREDIT FOR STATE PAYMENTS.**

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

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

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

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

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

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

24       “(b) NO CREDIT.—For all years following the year  
25 used in paragraph (5), no credit shall be allowed.

1 **“SEC. 9906. PENALTIES FOR NONPAYMENT.**

2 “Any person who fails to comply with the require-  
3 ments of section 9901, 9902, or 9903 shall be liable for  
4 payment to the Secretary, without demand, of a penalty  
5 in the amount equal to 3 times the applicable amount  
6 specified by those sections for the same tax year as the  
7 year in which the person failed to comply with such re-  
8 quirements.

9 **“SEC. 9907. DEFINITIONS.**

10 “Unless otherwise provided, the definitions provided  
11 herein are applicable to all provisions of this subtitle.

12 “(1) ADMINISTRATOR.—The term ‘Adminis-  
13 trator’ means the Administrator of the Environ-  
14 mental Protection Agency.

15 “(2) CARBON DIOXIDE EQUIVALENT.—The  
16 term ‘carbon dioxide equivalent’ means the number  
17 of metric tons of CO<sub>2</sub> emissions with the same global  
18 warming potential over a 100-year period as one  
19 metric ton of another greenhouse gas.

20 “(3) COAL.—The term ‘coal’ means any of the  
21 recognized classifications and ranks of coal, includ-  
22 ing anthracite, bituminous, semibituminous, subbitu-  
23 minous, lignite, and peat.

24 “(4) COAL PREPARATION AND PROCESSING  
25 PLANT.—The term ‘coal preparation and processing  
26 plant’ means any facility (excluding underground

1 mining operations) which prepares coal by one or  
2 more of the following processes: breaking, crushing,  
3 screening, wet or dry cleaning, and thermal drying.

4 “(5) ENHANCED OIL RECOVERY.—The term  
5 ‘enhanced oil recovery’ has the meaning defined at  
6 section 1.193–1(b)(2) of title 26, Code of Federal  
7 Regulations, as in effect on the date of enactment of  
8 this section.

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

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

19 “(8) GREENHOUSE GAS.—The term ‘greenhouse  
20 gas’ means carbon dioxide, nitrous oxide, methane,  
21 hydrofluorocarbons, perfluorocarbons, and sulfur  
22 hexafluoride.

23 “(9) GREENHOUSE GAS EFFECTS.—The term  
24 ‘greenhouse gas effects’ means the adverse effects of  
25 greenhouse gasses on health or welfare caused by

1 the greenhouse gas's heat-trapping potential or its  
2 effect on ocean acidification.

3 “(10) LIFECYCLE GREENHOUSE GAS EMIS-  
4 SIONS.—The term ‘lifecycle greenhouse gas emis-  
5 sions’ has the meaning given that term in section  
6 211 of the Clear Air Act.

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

14 “(12) PETROLEUM PRODUCTS.—The term ‘pe-  
15 troleum products’ means unfinished oils, liquefied  
16 petroleum gases, pentanes plus, aviation gasoline,  
17 motor gasoline, naphtha-type jet fuel, kerosene-type  
18 jet fuel, kerosene, distillate fuel oil, residual fuel oil,  
19 petrochemical feedstocks, special naphthas, lubri-  
20 cants, waxes, petroleum coke, asphalt, road oil, still  
21 gas, and miscellaneous products obtained from the  
22 processing of crude oil (including lease condensate),  
23 natural gas, and other hydrocarbon compounds. The  
24 term does not include natural gas, liquefied natural

1 gas, biofuels, methanol, and other nonpetroleum  
2 fuels.

3 “(13) PUBLISH.—The term ‘publish’ means  
4 publication in the Federal Register.

5 “(14) REFINERY.—The term ‘refinery’ means  
6 any facility engaged in producing gasoline, kerosene,  
7 distillate fuel oils, residual fuel oils, lubricants, or  
8 other products through distillation of petroleum or  
9 through redistillation, cracking, or reforming of un-  
10 finished petroleum derivatives.

11 “(15) OWNER.—The term ‘owner’ with respect  
12 to any fossil fuel means any person who has legal  
13 title to the fossil fuel.

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

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

22 “(18) SOLID BIOMASS.—The term ‘solid bio-  
23 mass’ means nonfossilized and biodegradable organic  
24 material originating from plants, animals, or micro-  
25 organisms, including products, byproducts, residues

1 and waste from agriculture, forestry, and related in-  
2 dustries as well as the nonfossilized and biodegrad-  
3 able organic fractions of industrial and municipal  
4 wastes, but does not include gases and liquids recov-  
5 ered from the decomposition of nonfossilized and  
6 biodegradable organic material.

7 “(19) SOURCE CATEGORY.—The term ‘source  
8 category’ means any category or subcategory regu-  
9 lated under part 60 of title 40, Code of Federal Reg-  
10 ulations, or part 90 of title 40, Code of Federal Reg-  
11 ulations.”.

12 (b) CLERICAL AMENDMENT.—The table of subtitles  
13 for the Internal Revenue Code of 1986 is amended by add-  
14 ing at the end the following new item:

15 **“Subtitle L—Greenhouse Gas**  
16 **Emissions”.**

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to emissions after the later of De-  
19 cember 31, 2023, and the date that is one year after the  
20 date regulations are promulgated under section 9914 of  
21 the Internal Revenue Code of 1986.

22 **SEC. 102. BORDER GREENHOUSE GAS ADJUSTMENTS.**

23 (a) IN GENERAL.—Subtitle L of the Internal Rev-  
24 enue Code of 1986, as added by subsection (a), is further  
25 amended by adding at the end the following new part:

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

“Sec. 9911. Purposes.

“Sec. 9912. Definitions.

“Sec. 9913. Notification of foreign countries.

“Sec. 9914. Border tax adjustment rate.

4 **“SEC. 9911. PURPOSES.**

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

7 “(1) to promote a strong global effort to signifi-  
8 cantly reduce greenhouse gas emissions, and

9 “(2) to prevent carbon leakage.

10 “(b) ADDITIONAL PURPOSES OF PART.—The pur-  
11 poses of this part are additionally—

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

17 “(2) to ensure that imports from other coun-  
18 tries, and, in particular, fast-growing developing  
19 countries, do not enjoy competitive advantages be-  
20 cause of the carbon tax liability of domestic manu-  
21 facturers, and therefore increase their emissions,

1           “(3) to encourage foreign countries to take sub-  
2           stantial action with respect to their greenhouse gas  
3           emissions, and

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

8   **“SEC. 9912. DEFINITIONS.**

9           “In this part:

10           “(1) CARBON LEAKAGE.—The term ‘carbon  
11           leakage’ means any substantial increase (as deter-  
12           mined by the Secretary) in greenhouse gas emissions  
13           by entities located in other countries caused by a  
14           cost of production increase in the United States re-  
15           sulting from implementation of this title.

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

24           “(3) BORDER TAX ADJUSTMENT RATE.—The  
25           term ‘border tax adjustment rate’ means the amount

1 of tax that would be paid on a covered good pro-  
2 duced in the United States in the current year.

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

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

8 “(A) entered under a heading or sub-  
9 heading of the Harmonized Tariff Schedule of  
10 the United States that corresponds to the  
11 NAICS code for an eligible industrial sector, as  
12 established in the concordance between NAICS  
13 codes and the Harmonized Tariff Schedule of  
14 the United States prepared by the United  
15 States Census Bureau, or

16 “(B) a manufactured item for consump-  
17 tion.

18 “(6) ELIGIBLE INDUSTRIAL SECTOR.—The  
19 term ‘eligible industrial sector’ means an industrial  
20 sector determined by the Secretary under section  
21 9913.

22 “(7) INDUSTRIAL SECTOR.—The term ‘indus-  
23 trial sector’ means any sector that—

24 “(A) is in the manufacturing sector (as de-  
25 fined in NAICS codes 31, 32, and 33), or

1           “(B) is part of, or an entire, sector that  
2           beneficiates or otherwise processes (including  
3           agglomeration) metal ores, including iron and  
4           copper ores, soda ash, and phosphate. The term  
5           ‘industrial sector’ does not include any part of  
6           a sector that extracts fossil fuels, metal ores,  
7           soda ash, or phosphate.

8           “(8) MANUFACTURED ITEM FOR CONSUMP-  
9           TION.—The term ‘manufactured item for consump-  
10          tion’ means any good—

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

14           “(B) for which the Secretary has deter-  
15           mined, with the concurrence of the Commis-  
16           sioner, that the application of the border tax  
17           adjustment program pursuant to this part is  
18           technically and administratively feasible and ap-  
19           propriate to achieve the purposes of this part,  
20           taking into account the greenhouse gas inten-  
21           sity, and where appropriate the trade intensity,  
22           of the industrial sector that produces the good,  
23           as measured consistent with section 9913 and  
24           the ability of the producers to recover cost in-

1 creases in the marketplace and other appro-  
2 priate factors.

3 “(9) NAICS.—The term ‘NAICS’ means the  
4 North American Industrial Classification System of  
5 2002.

6 “(10) OUTPUT.—The term ‘output’ means the  
7 total tonnage or other standard unit of production  
8 (as determined by the Secretary) produced by an en-  
9 tity in an industrial sector.

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

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

16 “(1) requesting the foreign country to take ap-  
17 propriate measures to limit the greenhouse gas emis-  
18 sions of the foreign country, and

19 “(2) indicating that a border tax adjustment  
20 may apply to covered goods imported into and ex-  
21 ported from the United States.

22 “(b) LISTS.—

23 “(1) IN GENERAL.—Not later than 1 year after  
24 the date of the enactment of the Modernizing Amer-  
25 ica with Rebuilding to Kickstart the Economy of the

1 Twenty-first Century with a Historic Infrastructure-  
2 Centered Expansion Act, the Secretary shall promul-  
3 gate a rule designating, based on the criteria under  
4 subsection (c)(2), industrial sectors where covered  
5 products are liable for the border tax adjustment.

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

10 “(3) SUBSEQUENT LISTS.—Not later than Jan-  
11 uary 31 of each calendar year after the calendar  
12 year in which the Modernizing America with Re-  
13 building to Kickstart the Economy of the Twenty-  
14 first Century with a Historic Infrastructure-Cen-  
15 tered Expansion Act is enacted, the Secretary shall  
16 publish in the Federal Register an updated version  
17 of the list published under paragraph (1).

18 “(c) ELIGIBLE INDUSTRIAL SECTORS.—

19 “(1) PRESUMPTIVELY ELIGIBLE INDUSTRIAL  
20 SECTORS.—

21 “(A) ELIGIBILITY CRITERIA.—

22 “(i) IN GENERAL.—

23 “(I) Imported covered goods are  
24 liable under this part if they are pro-  
25 duced in the United States in an in-

1 industrial sector that is included in a 6-  
2 digit classification of the NAICS that  
3 meets the criteria in both clauses (ii)  
4 and (iii).

5 “(II) Exported covered goods are  
6 eligible under this part if they are  
7 produced in the United States in an  
8 industrial sector that is included in a  
9 6-digit classification of the NAICS  
10 that meets the criteria in clauses (ii)  
11 and (iii).

12 “(ii) GREENHOUSE GAS INTENSITY.—  
13 As determined by the Secretary, an indus-  
14 trial sector meets the criteria of this clause  
15 if the United States industrial sector has a  
16 greenhouse gas intensity of at least 5 per-  
17 cent, calculated by dividing—

18 “(I) the number of metric tons of  
19 carbon dioxide equivalent greenhouse  
20 gas emissions (including direct emis-  
21 sions from fuel combustion, process  
22 emissions, and indirect emissions from  
23 the generation of electricity used to  
24 produce the output of the sector) of  
25 the sector based on data described in

1 subparagraph (C), multiplied by the  
2 applicable rate in section 9901(b)(2),  
3 by

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

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

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

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

18 “(B) METAL AND PHOSPHATE PRODUC-  
19 TION CLASSIFIED UNDER MORE THAN ONE  
20 NAICS CODE.—For purposes of this section, the  
21 Secretary shall—

22 “(i) aggregate data for the  
23 beneficiation or other processing (including  
24 agglomeration) of metal ores, including  
25 iron and copper ores, soda ash, or phos-

1           phate with subsequent steps in the process  
2           of metal and phosphate manufacturing, re-  
3           gardless of the NAICS code under which  
4           the activity is classified, and

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

9           “(C) DATA SOURCES.—

10           “(i) VALUE OF SHIPMENTS.—

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

16           “(II) AVERAGE DATA AVAIL-  
17           ABLE.—The Secretary shall use the  
18           average of data from the most recent  
19           3 years for which the data are avail-  
20           able.

21           “(III) AVERAGE DATA NOT  
22           AVAILABLE.—If data described in sub-  
23           clause (II) are unavailable, the Sec-  
24           retary shall make a determination  
25           based on—

1                   “(aa) data from the most  
2 detailed industrial classification  
3 level of the Manufacturing En-  
4 ergy Consumption Survey of the  
5 Energy Information Administra-  
6 tion, and

7                   “(bb) data from the most re-  
8 cent Economic Census of the  
9 United States.

10                   “(IV) DATA NOT AVAILABLE FOR  
11 SECTOR.—If data from the Manufac-  
12 turing Energy Consumption Survey or  
13 Economic Census are unavailable for  
14 any sector at the 6-digit classification  
15 level in the NAICS, the Secretary may  
16 use available Manufacturing Energy  
17 Consumption Survey or Economic  
18 Census data pertaining to a broader  
19 industrial category classified in the  
20 NAICS.

21                   “(V) DATA NOT AVAILABLE FOR  
22 PROCESSING.—If data relating to the  
23 beneficiation or other processing (in-  
24 cluding agglomeration) of metal ores  
25 (including iron and copper ores, soda

1 ash, or phosphate) are not available  
2 from the specified data sources, the  
3 Secretary—

4 “(aa) shall use the best  
5 available Federal or State gov-  
6 ernment data, and

7 “(bb) may use, to the extent  
8 necessary, representative data  
9 submitted by entities that per-  
10 form the beneficiation or other  
11 processing (including agglomer-  
12 ation), in making a determina-  
13 tion.

14 “(ii) IMPORTS AND EXPORTS.—

15 “(I) IN GENERAL.—The Sec-  
16 retary shall base the value of imports  
17 and exports under this subsection on  
18 United States International Trade  
19 Commission data.

20 “(II) AVERAGE DATA AVAIL-  
21 ABLE.—The Secretary shall use the  
22 average of data from the three most  
23 recent years for which the data are  
24 available.

1                   “(III) AVERAGE DATA NOT  
2 AVAILABLE.—If data from the United  
3 States International Trade Commis-  
4 sion are unavailable for any sector at  
5 the 6-digit classification level in the  
6 NAICS, the Secretary may use United  
7 States International Trade Commis-  
8 sion data pertaining to a broader in-  
9 dustrial category classified in the  
10 NAICS.

11                   “(iii) PERCENTAGES.—The Secretary  
12 shall round the greenhouse gas intensity  
13 and trade intensity percentages under sub-  
14 paragraph (A) to the nearest whole num-  
15 ber.

16                   “(iv) GREENHOUSE GAS EMISSION  
17 CALCULATIONS.—When calculating the  
18 metric tons of carbon dioxide equivalent  
19 greenhouse gas emissions for each sector  
20 under subparagraph (A)(ii)(I), the Sec-  
21 retary—

22                   “(I) shall use the best available  
23 data from the three most recent years  
24 for which the data are available, and

1                   “(II) may, to the extent nec-  
2                   essary with respect to a sector, use  
3                   economic and engineering models and  
4                   the best available information on tech-  
5                   nology performance levels for the sec-  
6                   tor.

7                   “(2) ADMINISTRATIVE DETERMINATION OF AD-  
8                   DITIONAL ELIGIBLE INDUSTRIAL SECTORS.—

9                   “(A) UPDATED TRADE INTENSITY DATA.—

10                  The Secretary shall designate as liable for the  
11                  border tax adjustment rate on imported prod-  
12                  ucts under this part an industrial sector that—

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

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

22                   “(B) INDIVIDUAL SHOWING PETITION.—

23                         “(i) PETITION.—In addition to des-  
24                         ignation under subparagraph (A), the  
25                         owner or operator of an entity or a group

1 of entities that collectively produce not less  
2 than 80 percent of the average annual  
3 value of shipments from within the sector  
4 of the group consistent with subclause (I),  
5 that manufacture similar products in an  
6 industrial sector may petition the Sec-  
7 retary to designate as eligible industrial  
8 sectors under this part an entity or a  
9 group of entities that—

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

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

15 “(ii) DATA.—In making a determina-  
16 tion under this subparagraph, the Sec-  
17 retary shall consider—

18 “(I) data submitted by the peti-  
19 tioner,

20 “(II) data solicited by the Sec-  
21 retary from other entities in the sec-  
22 tor, and

23 “(III) data specified in para-  
24 graph (1)(C).

1                   “(iii) BASIS OF SUBSECTOR DETER-  
2                   MINATION.—

3                   “(I) IN GENERAL.—Except as  
4                   provided in subclause (II), the Sec-  
5                   retary shall determine an entity or  
6                   group of entities to be a subsector of  
7                   a 6-digit section of the NAICS code  
8                   based only on the products manufac-  
9                   tured and not the industrial process  
10                  by which the products are manufac-  
11                  tured.

12                  “(II) TYPE OF MATERIAL.—The  
13                  Secretary may determine an entity or  
14                  group of entities that manufacture a  
15                  product from primarily virgin material  
16                  to be a separate subsector from an-  
17                  other entity or group of entities that  
18                  manufacture the same product pri-  
19                  marily from recycled material.

20                  “(iv) USE OF MOST RECENT DATA.—  
21                  In determining whether to designate a sec-  
22                  tor or subsector as an eligible industrial  
23                  sector under this subparagraph, the Sec-  
24                  retary shall use the most recent data avail-  
25                  able from the sources described in para-

1 graph (1)(C), rather than the data from  
2 the years specified in paragraph (1)(C), to  
3 determine the trade intensity of the sector  
4 or subsector, but only for determining the  
5 trade intensity.

6 “(v) FINAL ACTION.—The Secretary  
7 shall take final action on a petition de-  
8 scribed in this subparagraph not later than  
9 180 days after the date the completed peti-  
10 tion is received by the Secretary.

11 “(3) CESSATION OF QUALIFYING ACTIVITIES.—  
12 If, as determined by the Secretary, an industrial sec-  
13 tor or a covered good within the sector is no longer  
14 liable to be designated under this section, the Com-  
15 missioner shall cease to apply the border tax adjust-  
16 ment on the relevant covered goods with effect from  
17 January 1 of the following year.

18 **“SEC. 9914. BORDER TAX ADJUSTMENT RATE.**

19 “(a) ESTABLISHMENT.—The Secretary, with the con-  
20 currence of the Commissioner, shall, no later than the date  
21 that is one year after the date of the enactment of this  
22 section, promulgate regulations—

23 “(1) establishing the products which are liable  
24 for, and requiring payment of, the border tax adjust-  
25 ment rate,

1           “(2) establishing a general methodology for cal-  
2           culating the level of the border tax adjustment rate  
3           that a domestic importer of any covered good must  
4           submit and the rebate that an exporter will receive,

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

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

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

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

18           “(5) specifying the procedures that the Com-  
19           missioner will apply for the declaration and entry of  
20           covered goods with respect to the eligible industrial  
21           sector into the customs territory of the United  
22           States, and

23           “(6) establishing procedures that prevent cir-  
24           cumvention of the carbon tax liability for covered

1 goods that are manufactured or processed in more  
2 than one foreign country.

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

10 (b) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to emissions after the later of De-  
12 cember 31, 2023, and the date that is one year after the  
13 date regulations are promulgated under section 9914 of  
14 the Internal Revenue Code of 1986.

15 **TITLE II—DISTRIBUTION OF**  
16 **REVENUES FROM TAXATION**  
17 **OF GREENHOUSE GAS EMIS-**  
18 **SIONS**

19 **Subtitle A—Rebuilding Infrastruc-**  
20 **ture and Solutions for the Envi-**  
21 **ronment Trust Fund**

22 **SEC. 201. ESTABLISHMENT OF THE RISE TRUST FUND.**

23 There is hereby created in the Treasury of the United  
24 States a trust fund to be known as the “Rebuilding Infra-  
25 structure and Solutions for the Environment Trust Fund”

1 (hereafter in this Act referred to as the “RISE Trust  
2 Fund”), consisting of amounts paid into the Treasury pur-  
3 suant to subtitle L of the Internal Revenue Code of 1986  
4 (as added by title I of this Act), and 75 percent of such  
5 amounts are hereby appropriated and transferred to the  
6 RISE Trust Fund.

7 **SEC. 202. APPROPRIATIONS FROM THE RISE TRUST FUND.**

8 (a) IN GENERAL.—Amounts in the RISE Trust  
9 Fund for a fiscal year shall be available, as provided by  
10 appropriation Acts, as follows:

11 (1) 70 percent for each of the fiscal years 2025  
12 through 2034 to the Highway Trust Fund.

13 (2) 1.5 percent for each of the fiscal years 2025  
14 through 2034 for the weatherization program devel-  
15 oped under part A of title IV of the Energy Con-  
16 servation and Production Act (42 U.S.C. 6861 et  
17 seq.).

18 (3) 3 percent for each of the fiscal years 2025  
19 through 2034 for assistance for displaced energy  
20 workers under section 321.

21 (4) 2.5 percent for each of the fiscal years 2025  
22 through 2034 to the Airport and Airway Trust Fund  
23 under section 9502 of the Internal Revenue Code of  
24 1986.

1           (5) 0.1 percent for each of the fiscal years 2025  
2 through 2034 to the Leaking Underground Storage  
3 Trust Fund under section 9508 of the Internal Rev-  
4 enue Code of 1986.

5           (6) 1.5 percent for each of the fiscal years 2025  
6 through 2034 to the Abandoned Mine Reclamation  
7 Fund under section 401 of the Surface Mining Con-  
8 trol and Reclamation Act of 1977 (30 U.S.C. 1231).

9           (7) 4 percent for each of the fiscal years 2025  
10 through 2034 for frequent and chronic coastal flood-  
11 ing mitigation and adaptation infrastructure projects  
12 under section 302.

13           (8) 1.5 percent for each of the fiscal years 2025  
14 through 2034 for Advanced Research Projects Agen-  
15 cy-Energy under section 5012 of the America COM-  
16 PETES Act (42 U.S.C. 16538).

17           (9) 0.7 percent for each of the fiscal years 2025  
18 through 2034 for the Carbon Capture Research and  
19 Development Program of the National Energy Tech-  
20 nology Laboratory, Office of Fossil Energy, Depart-  
21 ment of Energy.

22           (10) 0.5 percent for each of the fiscal years  
23 2025 through 2034 for assistance for Carbon Stor-  
24 age DOE Fossil Energy Research, Development, and

1 Demonstration Program Areas, Coal Program Area  
2 (Carbon Storage).

3 (11) 0.5 percent for each of the fiscal years  
4 2025 through 2034 for assistance to the National  
5 Energy Technology Laboratory of the Office of Fos-  
6 sil Energy for the research and development of car-  
7 bon removal technologies.

8 (12) 0.3 percent for each of the fiscal years  
9 2025 through 2034 to the Secretary of Energy for  
10 research and development to identify and assess  
11 novel uses for carbon oxides, including the conver-  
12 sion of carbon dioxide for commercial and industrial  
13 products, such as chemicals, plastics, building mate-  
14 rials, fuels, cement, products of coal use in power  
15 systems or other applications, or other products with  
16 demonstrated market value.

17 (13) 0.2 percent for each of the fiscal years  
18 2025 through 2034 to the Secretary of Energy to  
19 provide grants to entities constructing common car-  
20 rier pipeline infrastructure to transport anthropo-  
21 genic carbon dioxide for the incremental cost of pro-  
22 viding extra capacity for future carbon dioxide trans-  
23 port needs.

24 (14) 0.5 percent for each of the fiscal years  
25 2025 through 2034 for research and development re-

1       lating to energy storage by battery through the Of-  
2       fice of Electricity, Department of Energy.

3           (15) 10 percent for each of the fiscal years  
4       2025 through 2034 for State grants under section  
5       203.

6           (16) 1 percent for each of the fiscal years 2025  
7       through 2034 to the Reforestation Trust Fund (16  
8       U.S.C. 1606a).

9           (17) 0.1 percent for each of the fiscal years  
10      2025 through 2034 for assistance through coopera-  
11      tive agreements to decrease the environmental im-  
12      pact of energy-related activities pursuant to section  
13      931 of the Energy Policy Act of 2005 (42 U.S.C.  
14      16231).

15          (18) 1.6 percent for each of the fiscal years  
16      2025 through 2034 for the environmental quality in-  
17      centives program under chapter 4 of subtitle D of  
18      title XII of the Food Security Act of 1985 (16  
19      U.S.C. 3839aa et seq.) for payments to producers to  
20      implement practices that promote improvements  
21      identified in subparagraphs (A) and (C) of section  
22      1240B(d)(3) of such Act (16 U.S.C. 3839aa-2).

23          (19) 0.5 percent for each of fiscal years 2025  
24      through 2034 for the regional conservation partner-  
25      ship program under section 1271 of the Food Secu-

1 rity Act of 1985 (16 U.S.C. 3871) for eligible activi-  
2 ties on eligible land through partnership agreements  
3 with eligible partners and contracts with producers  
4 that address one of the following goals:

5 (A) Soil health.

6 (B) Nutrient management.

7 (C) Forest restoration.

8 (D) Reduction of methane emissions.

9 (E) Other related activities that the Sec-  
10 retary determines will help achieve conservation  
11 benefits and increase carbon sequestration or  
12 reduce greenhouse gas emissions.

13 (b) CARBON REMOVAL.—For purposes of subsection  
14 (a)(11), the term “carbon removal technologies” includes:

15 (1) Direct air capture and storage technologies,  
16 which shall not include any equipment which cap-  
17 tures carbon dioxide which is deliberately released  
18 from naturally occurring subsurface springs or using  
19 natural photosynthesis.

20 (2) Bioenergy with carbon capture and seques-  
21 tration.

22 (3) Enhanced geological weathering.

23 (4) Agricultural and grazing practices.

24 (5) Forest management and afforestation.

1           (6) Planned or managed carbon sinks, including  
2           natural and artificial.

3           (c) WAGE RATE REQUIREMENTS.—Notwithstanding  
4           any other provision of law and in a manner consistent with  
5           other provisions in this Act, all laborers and mechanics  
6           employed by contractors and subcontractors on projects  
7           funded directly by or assisted in whole or in part by and  
8           through the Federal Government pursuant to this Act  
9           shall be paid wages at rates not less than those prevailing  
10          on projects of a character similar in the locality as deter-  
11          mined by the Secretary of Labor in accordance with sub-  
12          chapter IV of chapter 31 of title 40, United States Code.  
13          With respect to the labor standards specified in this sec-  
14          tion, the Secretary of Labor shall have the authority and  
15          functions set forth in Reorganization Plan Numbered 14  
16          of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145  
17          of title 40, United States Code.

18          (d) CONFORMING AMENDMENTS.—

19                 (1) LEAKING UNDERGROUND STORAGE TANK  
20                 TRUST FUND.—Section 9508(b) of the Internal Rev-  
21                 enue Code of 1986 is amended—

22                         (A) by striking “and” at the end of para-  
23                         graph (3),

24                         (B) by striking the period at the end of  
25                         paragraph (4) and inserting “, and”, and

1 (C) by inserting after paragraph (4) the  
2 following:

3 “(5) amounts made available to the Leaking  
4 Underground Storage Tank Trust Fund from the  
5 RISE Trust Fund under section 202(a)(5) of the  
6 Modernizing America with Rebuilding to Kickstart  
7 the Economy of the Twenty-first Century with a  
8 Historic Infrastructure-Centered Expansion Act.”.

9 (2) REFORESTATION TRUST FUND.—

10 (A) SOURCE OF FUNDS.—Section 303(a)  
11 of the Act of October 14, 1980 (16 U.S.C.  
12 1606a(a)) is amended by striking “subsection  
13 (b)(1)” and inserting “paragraph (1) or (4) of  
14 subsection (b)”.

15 (B) SPECIAL RULE RELATING TO LIMITA-  
16 TION.—Section 303(b) of the Act of October  
17 14, 1980 (16 U.S.C. 1606a(b)) is amended—

18 (i) in paragraph (2) by inserting  
19 “under paragraph (1)” after “The Sec-  
20 retary of the Treasury shall transfer”, and

21 (ii) by adding at the end the fol-  
22 lowing:

23 “(4) Not later than 9 months after the enact-  
24 ment of the Modernizing America with Rebuilding to  
25 Kickstart the Economy of the Twenty-first Century

1 with a Historic Infrastructure-Centered Expansion  
2 Act, the Secretary shall transfer to the Trust Fund  
3 the amounts made available under section  
4 202(a)(13) of such Act.”.

5 **SEC. 203. STATE GRANTS.**

6 (a) IN GENERAL.—From amounts made available  
7 under section 202(a)(15), the Secretary of the Treasury  
8 shall make a annual grant to each State (hereafter in this  
9 section referred to as “State grant”) to distribute to eligi-  
10 ble low-income households in accordance with this section.

11 (b) ELIGIBLE LOW-INCOME HOUSEHOLD.—A house-  
12 hold shall be considered to be an eligible low-income house-  
13 hold for purposes of this section if—

14 (1) except as provided in subsection (d)(4), the  
15 gross income of the household does not exceed 150  
16 percent of the poverty line;

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

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

23 (B) the Food Distribution Program on In-  
24 dian Reservations authorized by section 4(b) of  
25 such Act (7 U.S.C. 2013(b)); or

1 (C) the program for nutrition assistance in  
2 Puerto Rico or American Samoa under section  
3 19 of such Act (7 U.S.C. 2028);

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

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

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

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

15 (4) the household consists of a single individual  
16 or a married couple, and receives benefits under the  
17 supplemental security income program under title  
18 XVI of the Social Security Act (42 U.S.C. 1381–  
19 1383f).

20 (c) AMOUNT.—The Secretary of the Treasury, in con-  
21 sultation with the Secretary of Energy and the Adminis-  
22 trator of the Environmental Protection Agency, shall de-  
23 termine the amount of each State grant in proportion to  
24 the percentage of total United States greenhouse gas emis-  
25 sions attributable to electricity, natural gas, gasoline, die-

1 sel, and fuel ethanol sold in such State during the pre-  
2 ceding calendar year.

3 (d) **RULE RELATING TO PROCESS.**—Not later than  
4 1 year after the enactment of this Act, the Secretary of  
5 the Treasury shall establish by rule a date in each year  
6 by which each State shall notify the Secretary how the  
7 State intends to distribute the State Grant. The Secretary  
8 shall transfer the State Grant to each State only upon  
9 the State demonstrating to the Secretary’s satisfaction  
10 that the State intends to distribute the State Grant in ac-  
11 cordance with this section.

12 (e) **STATE.**—For the purposes of this section, the  
13 term “State” includes the District of Columbia and any  
14 territory of possession of the United States.

15 **Subtitle B—Certain Manufacturers**  
16 **Excise Taxes**

17 **SEC. 211. REPEAL OF FEDERAL MOTOR VEHICLE AND AVIA-**  
18 **TION FUEL TAXES.**

19 (a) **IN GENERAL.**—Subpart A of part III of sub-  
20 chapter A of chapter 32 of the Internal Revenue Code of  
21 1986 is hereby repealed.

22 (b) **EFFECTIVE DATE.**—The repeal made by sub-  
23 section (a) shall apply to transactions after December 31,  
24 2023.

1 **SEC. 212. MODIFICATIONS OF QUALIFYING ADVANCED**  
2 **COAL PROJECT CREDIT.**

3 (a) SEQUESTRATION REQUIREMENT FOR CERTAIN  
4 EQUIPMENT.—Section 48A(e)(1)(G) of the Internal Rev-  
5 enue Code of 1986 is amended by inserting “and 60 per-  
6 cent in the case of an application for a reallocation of cred-  
7 its under subsection (d)(4) with respect to an electrical  
8 generating unit in existence on October 3, 2008” after  
9 “under subsection (d)(4)”.

10 (b) NAMEPLATE GENERATING CAPACITY REQUIRE-  
11 MENT.—Section 48A(e)(1)(C) of such Code is amended by  
12 striking “400 megawatts” and inserting “200  
13 megawatts”.

14 (c) ADVANCED COAL-BASED GENERATION TECH-  
15 NOLOGY REQUIREMENTS.—

16 (1) IN GENERAL.—Section 48A(f)(1) of such  
17 Code is amended by striking “generation technology  
18 if—” and all that follows through “the unit is de-  
19 signed” and inserting “generation technology if the  
20 unit is designed”.

21 (2) CONFORMING AMENDMENTS.—Section  
22 48A(f) is amended—

23 (A) by striking all that precedes “the pur-  
24 pose of this section” and inserting the fol-  
25 lowing:

1 “(f) ADVANCED COAL-BASED GENERATION TECH-  
2 NOLOGY.—For”;

3 (B) by striking “in subparagraph (B)” in  
4 the second sentence and inserting “in this sub-  
5 section”; and

6 (C) by striking paragraphs (2) and (3).

7 (d) PERFORMANCE REQUIREMENTS IN CASE OF  
8 BEST AVAILABLE CONTROL TECHNOLOGY.—Section  
9 48A(f) of such Code, as amended by this Act, is amended  
10 by adding at the end the following: “In the case of a ret-  
11 rofit of a unit which has undergone a best available control  
12 technology analysis after August 8, 2005, with respect to  
13 the removal or emissions of any pollutant which is SO<sub>2</sub>  
14 or NO<sub>x</sub>, the removal or emissions design level with respect  
15 to such pollutant shall be the level determined in such  
16 analysis.”.

17 (e) CLARIFICATION OF REALLOCATION AUTHOR-  
18 ITY.—Section 48A(d)(4) of the Internal Revenue Code of  
19 1986 is amended—

20 (1) in subparagraph (A)—

21 (A) by striking “Not later than 6 years  
22 after the date of enactment of this section, the”  
23 and inserting “The”; and

24 (B) by inserting “and every 6 months  
25 thereafter until all credits available under this

1 section have been allowed” after “the date  
2 which is 6 years after the date of enactment of  
3 this section”;

4 (2) in subparagraph (B)—

5 (A) by striking “may reallocate credits  
6 available under clauses (i) and (ii) of paragraph  
7 (3)(B)” and inserting “shall reallocate credits  
8 remaining available under paragraph (3)”;

9 (B) by striking “or” at the end of clause  
10 (i); and

11 (C) by striking clause (ii) and inserting the  
12 following:

13 “(ii) any applicant for certification  
14 which submitted an accepted application  
15 has subsequently failed to satisfy the re-  
16 quirements under paragraph (2)(D), or

17 “(iii) any certification made pursuant  
18 to paragraph (2) has been revoked pursu-  
19 ant to paragraph (2)(E).”; and

20 (3) in subparagraph (C)—

21 (A) by striking “clause (i) or (ii) of para-  
22 graph (3)(B)” and inserting “paragraph (3)”;

23 (B) by striking “is authorized to” and in-  
24 serting “shall”; and

1 (C) by striking “an additional program”  
 2 and inserting “additional programs”.

3 (f) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as provided in para-  
 5 graph (2), the amendments made by this section  
 6 shall apply to allocations and reallocations after the  
 7 date of the enactment of this Act.

8 (2) REALLOCATION.—The amendments made  
 9 by subsection (e) shall apply to credits remaining  
 10 available under section 48A(d)(3) of the Internal  
 11 Revenue Code of 1986 on the date of the enactment  
 12 of this Act.

13 **TITLE III—AMENDMENTS TO**  
 14 **OTHER LAWS**

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

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

18 (a) IN GENERAL.—Title III of the Clean Air Act (42  
 19 U.S.C. 7601) is amended by adding at the end the fol-  
 20 lowing:

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

23 “(a) FUELS.—Unless specifically authorized in sec-  
 24 tion 202, 211, 213, 231, or this section, after a fossil fuel  
 25 has passed through a point of taxation as provided in sec-

1 tion 9901(d) of the Internal Revenue Code of 1986, sub-  
2 ject to subsection (g), the Administrator shall not issue  
3 or enforce any rule limiting the emission of greenhouse  
4 gases from the combustion of that fuel under this Act (or  
5 impose any requirement on any State to limit such emis-  
6 sion) on the basis of the emission’s greenhouse gas effects.

7 “(b) EMISSIONS.—Unless specifically authorized in  
8 section 202, 211, 213, 231, or this section, if emission  
9 of any greenhouse gas is subject to taxation pursuant to  
10 section 9902 or 9903 of the Internal Revenue Code of  
11 1986, the Administrator shall not issue or enforce any rule  
12 limiting such emission under this Act (or impose any re-  
13 quirement on any State to limit such emission) on the  
14 basis of the emission’s greenhouse gas effects.

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

19 “(1) to limit the emission of any greenhouse  
20 gas because of any adverse impact on health or wel-  
21 fare other than its greenhouse gas effects;

22 “(2) in limiting emissions as described in para-  
23 graph (1), to consider the collateral benefits of lim-  
24 iting the emissions because of greenhouse gas ef-  
25 fects;

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

4           “(4) to take any action with respect to any  
5           greenhouse gas other than limiting its emission, in-  
6           cluding—

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

9                   “(B) conducting or supporting investiga-  
10                  tions; and

11                  “(C) information collection.

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

16                  “(1) facilities that—

17                   “(A) are subject to subpart OOOO or  
18                   OOOOa of part 60 of title 40, Code of Federal  
19                   Regulations, as in effect on January 1, 2018, or

20                   “(B) would be subject to either subpart  
21                   OOOO or OOOOa if those subparts applied to  
22                   facilities without regard to the date on which  
23                   construction, modification, or reconstruction  
24                   commenced, and

1           “(2) POTW Treatment Plants (as defined in  
2           section 403.3(r) of title 40, Code of Federal Regula-  
3           tions (as in effect on the date of enactment of this  
4           section)).

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

9           “(f) MORATORIUM EXPIRATION.—Subsections (a)  
10          and (b) shall cease to apply beginning on January 1, 2037.

11          “(g) EXCEPTIONS.—

12                 “(1) 2028.—Notwithstanding subsections (a)  
13                 and (b) of this section and section 211(c)(5) of this  
14                 Act, if the Administrator determines by March 30,  
15                 2029, pursuant to the report required by section  
16                 9901(b)(3)(A) of the Internal Revenue Code of  
17                 1986, that total greenhouse gas emissions from  
18                 sources subject to taxation under sections 9901  
19                 through 9903 of such Code during the period of cal-  
20                 endar years 2025 through 2028 exceed the emission  
21                 level specified in section 9901(b)(3)(A) of such Code  
22                 for calendar year 2028, then beginning on October  
23                 1, 2029, subsections (a) and (b) shall cease to apply.

24                 “(2) 2032.—Notwithstanding subsections (a)  
25                 and (b) of this section and section 211(c)(5) of this

1 Act, if the Administrator determines by March 30,  
2 2033, pursuant to the report required by section  
3 9901(b)(3)(A) of the Internal Revenue Code of  
4 1986, that total greenhouse gas emissions from  
5 sources subject to taxation under sections 9901  
6 through 9903 of such Code during the period of cal-  
7 endar years 2025 through 2032 exceed the emission  
8 level specified in section 9901(b)(3)(A) of such Code  
9 for calendar year 2032, then beginning on October  
10 1, 2033, subsections (a) and (b) shall cease to  
11 apply.”.

12 (b) NEW MOTOR VEHICLES AND NEW MOTOR VEHI-  
13 CLE ENGINES.—Section 202(b) of the Clean Air Act (42  
14 U.S.C. 7521(b)) is amended—

15 (1) by redesignating the second paragraph (3)  
16 (as redesignated by section 230(4)(C) of Public Law  
17 101–549 (104 Stat. 2529)) as paragraph (4); and

18 (2) by adding at the end the following:

19 “(5) Notwithstanding section 330(a), the Ad-  
20 ministrator may—

21 “(A) limit the emission of any greenhouse  
22 gas (as defined in section 9907 of the Internal  
23 Revenue Code of 1986) on the basis of the  
24 emission’s greenhouse gas effects (as defined in  
25 section 9907 of the Internal Revenue Code of

1           1986) from any class or classes of new motor  
2           vehicles or new motor vehicle engines subject to  
3           regulation under subsection (a)(1); and

4                   “(B) grant a waiver under section  
5           209(b)(1) for standards for the control of  
6           greenhouse gas emissions.”.

7           (c) FUELS.—Section 211(c) of the Clean Air Act (42  
8           U.S.C. 7545(c)) is amended by adding at the end the fol-  
9           lowing new paragraph:

10                   “(5) Except as required in subsection (o), the  
11           Administrator shall not, pursuant to this subsection,  
12           impose on any manufacturer, processor, or dis-  
13           tributor of fuel any requirement for the purpose of  
14           reducing the emission of any greenhouse gas (as de-  
15           fined in section 9907 of the Internal Revenue Code  
16           of 1986) produced by combustion of the fuel on the  
17           basis of the emission’s greenhouse gas effects (as de-  
18           fined in section 9907 of the Internal Revenue Code  
19           of 1986).”.

20           (d) NONROAD ENGINES AND VEHICLES EMISSIONS  
21           STANDARDS.—Section 213 of the Clean Air Act (42  
22           U.S.C. 7547) is amended by adding at the end the fol-  
23           lowing:

24                   “(e) GREENHOUSE GAS EMISSIONS.—Notwith-  
25           standing subsections (a) and (b) of section 330, the Ad-

1 administrator may limit the emission of any greenhouse gas  
2 (as defined in section 9907 of the Internal Revenue Code  
3 of 1986) on the basis of the emission’s greenhouse gas  
4 effects (as defined in section 9907 of the Internal Revenue  
5 Code of 1986) from any nonroad engines and nonroad ve-  
6 hicles subject to regulation under this section.”.

7 (e) AIRCRAFT EMISSION STANDARDS.—Section 231  
8 of the Clean Air Act (42 U.S.C. 757) is amended by add-  
9 ing at the end the following new subsection:

10 “(d) Notwithstanding subsections (a) and (b) of sec-  
11 tion 330, the Administrator may limit the emission of any  
12 greenhouse gas (as defined in section 9907 of the Internal  
13 Revenue Code of 1986) on the basis of the emission’s  
14 greenhouse gas effects (as defined in section 9907 of the  
15 Internal Revenue Code of 1986) from any class or classes  
16 of aircraft engines, so long as any such limitation is not  
17 more stringent than the standards adopted by the Inter-  
18 national Civil Aviation Organization.”.

19 **SEC. 302. FREQUENT AND CHRONIC FLOODING MITIGATION**  
20 **AND ADAPTATION INFRASTRUCTURE**  
21 **PROJECTS.**

22 (a) IN GENERAL.—The Secretary of Commerce and  
23 the Secretary of the Army (hereinafter referred to as “the  
24 Secretaries”), in consultation with the Secretary of Home-  
25 land Security, may make grants to State and local govern-

1 ments and federally recognized Indian Tribes for frequent  
2 and chronic flooding mitigation and adaptation infrastruc-  
3 ture projects.

4 (b) AUTHORIZED USES.—Amounts provided as a  
5 grant under this section may be used for any of the fol-  
6 lowing:

7 (1) Adaptation of existing infrastructure to  
8 mitigate impacts of climate change, including en-  
9 hancements to both built and natural environments.

10 (2) Maintenance and updating of existing flood  
11 risk reduction infrastructure, such as gravity drain-  
12 age structures, road elevation, bulkheads, gates, and  
13 floodwalls.

14 (3) Increasing resilience to frequent and chronic  
15 flooding, including (as combined or separate  
16 projects)—

17 (A) the creation of bulkheads, levees, and  
18 other hard infrastructure alone or in combina-  
19 tion with natural infrastructure described in  
20 subparagraph (B); and

21 (B) habitat restoration work, including  
22 dune enhancement, vegetative restoration,  
23 beach renourishment, coral and oyster reef res-  
24 toration, floodplain restoration, and other ac-  
25 tions to restore the function of the natural eco-

1           logical function and processes to provide flood  
2           risk reduction benefits.

3           (4) Improvements to conveyance, diversion, re-  
4           moval, and storage infrastructure to reduce risks  
5           caused by frequent and chronic flooding.

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

11          (6) Deployment of technologies designed to  
12          mitigate power outages, continue delivery of vital  
13          electricity services, and maintain the flow of power  
14          to facilities critical to public health, safety and wel-  
15          fare, including distributed generation, energy stor-  
16          age, and microgrids.

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

22          (d) PRIORITY.—In making grants under this section  
23          the Secretaries shall give priority to the following:

24                  (1) Protecting areas designated as special flood  
25                  hazard areas for purposes of the national flood in-

1       surance program under the National Flood Insur-  
2       ance Act of 1968 (42 U.S.C. 4001 et seq.) and the  
3       Flood Disaster Protection Act of 1973 (42 U.S.C.  
4       4001 et seq.), hazard areas that incorporate at least  
5       2 feet of additional freeboard, or 3 feet in the case  
6       of critical infrastructure, above base flood elevation.

7               (2) Protecting critical infrastructure, as that  
8       term is defined in section 1016(e) of the USA PA-  
9       TRIOT Act of 2001 (42 U.S.C. 5195c(e)).

10              (3) Projects that yield flood risk reduction ben-  
11       efits and additional environmental, social, and eco-  
12       nomic benefits.

13       (e) JOINT APPLICATION.—Two or more contiguous  
14       local governments or Tribes may jointly apply for, and re-  
15       ceive, a grant under this section.

16       (f) COST SHARING.—

17              (1) LIMITATION ON FEDERAL SHARE.—The  
18       Federal share of the cost of any activity carried out  
19       with a grant under this section shall not exceed 90  
20       percent of the cost of such activity.

21              (2) NON-FEDERAL SHARE.—The Secretary  
22       shall apply to the non-Federal share of an activity  
23       carried out with a grant under this section the  
24       amount of funds, and the fair market value of prop-

1 erty and services, provided by non-Federal sources  
2 and used for the activity.

3 (g) REPORTS.—Each recipient of a grant under this  
4 section shall report annually to the Secretaries on the  
5 progress made on the project carried out with the grant.

6 **SEC. 303. NO PREEMPTION OF STATE LAW.**

7 Nothing in this act shall preempt or supersede, or  
8 be interpreted to preempt or supersede, any State law or  
9 regulation.

10 **Subtitle B—Assistance to Displaced**  
11 **Workers in the Energy Sector**

12 **SEC. 321. ASSISTANCE TO DISPLACED WORKERS IN THE EN-**  
13 **ERGY SECTOR.**

14 (a) IN GENERAL.—For a period of 10 years after the  
15 enactment of the Modernizing America with Rebuilding to  
16 Kickstart the Economy of the Twenty-first Century with  
17 a Historic Infrastructure-Centered Expansion Act, from  
18 amounts made available under section 202 of this Act, the  
19 Secretary of Labor shall carry out a program to assist  
20 workers in the energy sector.

21 (b) WORKERS IN THE ENERGY SECTOR.—For pur-  
22 poses of this section, the term “workers in the energy sec-  
23 tor” means—

1           (1) workers in fossil energy sectors that may be  
2 displaced as a result of the enactment of this Act;  
3 and

4           (2) workers in the nuclear power sector that  
5 work at a nuclear power plant—

6                 (A) that ceased operation in the two years  
7 preceding the date of enactment of this Act; or

8                 (B) the owner of which announced prior to  
9 the date of enactment of this Act its intent to  
10 cease the operation of the plant at a future  
11 date.

12         (c) ELIGIBLE ACTIVITIES.—Such assistance may  
13 take the form of the following:

14           (1) Worker retraining.

15           (2) Relocation expenses for those who move to  
16 find new employment.

17           (3) Early retirement.

18           (4) Health benefits.

19           (5) Block grants to affected communities for  
20 economic redevelopment and infrastructure invest-  
21 ments.

22           (6) Transfers to the trustees of the 1974  
23 United Mine Workers of America Pension Plan to  
24 pay benefits required under that plan. No such  
25 transfer shall be made in a first fiscal year begin-

1       ning after a plan year for which the funded percent-  
2       age (as defined in section 432(j)(2) of the Internal  
3       Revenue Code of 1986) of the 1974 United Mine  
4       Workers of America Pension Plan is at least 100  
5       percent.

6       **TITLE IV—NATIONAL CLIMATE**  
7       **COMMISSION**

8       **SEC. 401. ESTABLISHMENT OF COMMISSION.**

9       (a) ESTABLISHMENT.—There is established a bipar-  
10      tisan commission to be known as the “National Climate  
11      Commission” (in this title referred to as the “Commis-  
12      sion”).

13      (b) MEMBERSHIP.—

14              (1) COMPOSITION.—The Commission shall be  
15      composed of 10 members, appointed as follows:

16                      (A) One cochair appointed by the Presi-  
17                      dent.

18                      (B) One cochair appointed by the majority  
19                      or minority leader of the Senate, whoever is of  
20                      the opposite party as the President, in consulta-  
21                      tion with the Speaker or minority leader of the  
22                      House of Representatives, whoever is of the op-  
23                      posite party as the President.

24                      (C) Two members appointed by the major-  
25                      ity leader of the Senate.

1 (D) Two members appointed by the minor-  
2 ity leader of the Senate.

3 (E) Two members appointed by the Speak-  
4 er of the House of Representatives.

5 (F) Two members appointed by the minor-  
6 ity leader of the House of Representatives.

7 (2) QUALIFICATIONS.—

8 (A) IN GENERAL.—To be considered for  
9 membership on the Commission, an individual  
10 shall demonstrate expertise in the economy, en-  
11 ergy, climate, or public health, and be a rep-  
12 resentative from—

13 (i) an academic, scientific, or other  
14 non-governmental organization; or

15 (ii) an industry organization or small  
16 business in a relevant sector such as—

17 (I) energy supply and trans-  
18 mission, including fossil fuels and re-  
19 newable energy;

20 (II) energy exploration and pro-  
21 duction, including fossil fuels and re-  
22 newable energy;

23 (III) solid waste and wastewater;

24 (IV) transportation;

25 (V) chemical manufacturing;

- 1 (VI) agriculture;  
2 (VII) construction; and  
3 (VIII) forestry.

4 (B) CERTAIN PERSONS INELIGIBLE.—No  
5 employee, owner, director, or other person affili-  
6 ated with an entity that has donated funding  
7 for the activities of the Commission pursuant to  
8 section 404(a) may be appointed to the Com-  
9 mission.

10 (C) APPOINTMENT DEADLINE.—Members  
11 of the Commission shall be appointed not later  
12 than 180 days after the date of the enactment  
13 of this Act.

14 (D) PERIOD OF APPOINTMENT.—Members  
15 of the Commission shall be appointed for a  
16 term of 6 years, which may be renewed.

17 (E) VACANCY.—A vacancy in the Commis-  
18 sion shall not affect the powers of the Commis-  
19 sion and shall be filled in the same manner in  
20 which the original appointment was made.

21 (3) COMPENSATION OF EMPLOYEES.—Each  
22 member of the Commission may be compensated at  
23 a rate not to exceed the daily equivalent of the an-  
24 nual rate of basic pay in effect for a position at level  
25 IV of the Executive Schedule under section 5315 of

1 title 5, United States Code, for each day during  
2 which that member is engaged in the performance of  
3 the duties of the Commission.

4 (4) TRAVEL EXPENSES.—Each member shall  
5 receive travel expenses to perform the duties of the  
6 Commission, including per diem in lieu of subsist-  
7 ence, at rates authorized under subchapter I of  
8 chapter 57 of title 5, United States Code.

9 (c) MEETINGS.—

10 (1) INITIAL MEETING.—The Commission shall  
11 hold its first meeting not later than 2 years after the  
12 date of enactment of this Act.

13 (2) MEETING.—The Commission shall meet not  
14 less than once every 3 years.

15 (3) QUORUM.—Six members of the Commission  
16 shall constitute a quorum.

17 **SEC. 402. DUTIES OF COMMISSION.**

18 (a) GOALS.—The Commission shall set goals for  
19 emissions reduction to be achieved by 2029 and every five  
20 years thereafter through 2054, using such estimated rates  
21 of reduction as the Commission determines reflect the lat-  
22 est scientific findings of what is necessary to avoid the  
23 serious human health and environmental consequences of  
24 climate change.

1 (b) REVIEW.—The Commission shall assess the effect  
2 of existing policies and programs of the Federal govern-  
3 ment with the aim of achieving the emissions reduction  
4 goals in subsection (a).

5 (c) REPORT.—Beginning in 2030, and every 5 years  
6 thereafter, the Commission shall issue a report to the  
7 President, Congress, and the States, which shall include—

8 (1) an analysis of whether the policies and pro-  
9 grams assessed under subsection (b) are on pace to  
10 achieving the emissions reduction goals set under  
11 subsection (a);

12 (2) recommendations, if any, for reducing  
13 greenhouse gas emissions; and

14 (3) a minority report with dissenting views, if  
15 applicable.

16 **SEC. 403. POWERS OF COMMISSION.**

17 (a) OBTAINING OFFICIAL DATA.—

18 (1) IN GENERAL.—The Commission may secure  
19 directly from any executive department, bureau,  
20 agency, board, commission, office, independent es-  
21 tablishment, or instrumentality of the Government,  
22 unrestricted information, suggestions, estimates, and  
23 statistics for the purpose of carrying out this title.  
24 Each department, bureau, agency, board, commis-  
25 sion, office, independent establishment, or instru-

1       mentality shall, to the extent authorized by provi-  
2       sions of law other than this section, furnish such un-  
3       restricted information, suggestions, estimates, and  
4       statistics directly to the Commission, upon request  
5       made by a cochair or any member designated by a  
6       majority of the Commission.

7               (2) RECEIPT, HANDLING, STORAGE, AND DIS-  
8       SEMINATION.—Unrestricted information provided to  
9       the Commission under paragraph (1) shall be re-  
10      ceived, handled, stored, and disseminated only by  
11      members and staff of the Commission, consistent  
12      with any applicable statutes, regulations, or Execu-  
13      tive orders.

14      (b) ASSISTANCE FROM FEDERAL AGENCIES.—

15              (1) GENERAL SERVICES ADMINISTRATION.—  
16      The Administrator of General Services shall provide  
17      to the Commission, on a reimbursable basis, admin-  
18      istrative support and other services for the perform-  
19      ance of the functions of the Commission.

20              (2) OTHER DEPARTMENTS AND AGENCIES.—In  
21      addition to the assistance prescribed in paragraph  
22      (1), departments and agencies of the United States  
23      may provide to the Commission such services, funds,  
24      facilities, staff, and other support services as they



1 and such detail shall be without interruption or loss of  
2 civil service status or privilege.

3 (b) EXPERT AND CONSULTANT SERVICES.—The  
4 Commission may procure the services of experts and con-  
5 sultants in accordance with section 3109 of title 5, United  
6 States Code, at rates not to exceed the daily equivalent  
7 of the annual rate of basic pay in effect for a position  
8 at level IV of the Executive Schedule under section 5315  
9 of title 5, United States Code.

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