

Reducing Greenhouse Gas Emissions Through a Voluntary Federal Framework that Empowers States, Municipalities, and Businesses

Establishing a voluntary framework for carbon emissions reporting and offset exchange will increase transparency and accountability in the marketplace, driving additional investment in clean energy and offsets, and further decreasing U.S. greenhouse gas emissions

What is Being Proposed?

A voluntary greenhouse gas emissions registry and standards for carbon offsets. This system will not satisfy the proponents of firm-handed federal caps and mandates, but it is a strong conservative approach to support state's rights, free markets, and support action by individuals and businesses to further drive down emissions and mitigate climate change.

By establishing a voluntary federal greenhouse gas emissions registry and rules for the voluntary exchange of carbon offset credits the federal government won't dictate how carbon emissions will be reduced. It will establish reliable standards and transparency that could help unleash the market's potential to reduce greenhouse gases.

A limited federal effort could help protect investors and maintain fair and orderly functioning of voluntary carbon transactions.

Why is this needed?

- **Conservatives want action but need options.** Conservatives support federal action to reduce greenhouse gases, but to-date no policy has been broadly appealing to conservatives because federal taxes, caps, and mandates are not desirable, nor politically feasible
- **State, private sector, and individual action must be supported.** A conservative federal framework sends a market signal that individual, private sector, and state-led efforts are legitimate and will be supported, not undermined

What is NOT being proposed?

- The proposal IS NOT a carbon tax
- The proposal IS NOT a federal cap and trade, or cap and dividend system
- The proposal DOES NOT expand federal regulatory authority
- The proposal DOES NOT mandate action by any individual, corporation, or state

What Are the Benefits?

- Supports carbon capture and storage. "45Q" tax credits will help grow the carbon capture and storage market. This policy proposes a system for accounting and transferability that will protect taxpayers supporting this emerging technology.
- Support states rights. This policy focusing on establishing a single system for reporting and offset exchange that is both complimentary to the market-based mechanisms that states have been using to reduce greenhouse gases for over a decade and does not supersede state action in this space.
- Rewards corporate leadership. Corporations are investing millions of dollars in carbon offsets and investing billions in clean energy. A single federal system for carbon reporting and offset exchange will help drive investment and raise consumer confidence in low-carbon products, investments, and services.

