RESOURCES: SENATE AND HOUSE MEMBERS INTRODUCE BILLS TO EASE CA WATER CRISIS

On October 7, 2009, Senators Barbara Boxer and Dianne Feinstein, and Reps. Jim Costa (Fresno) and Dennis Cardoza (Atwater) introduced companion bills in the Senate and House, respectively, aimed at easing California’s ongoing water crisis.

Both bills, S. 1759 and H.R. 3750, contain similar provisions to authorize the voluntary transfer of up to 300,000 acre-feet per year of water between sellers and buyers. The Interior Department’s Bureau of Reclamation would be given new authority to approve the water transfers between sellers and buyers in the San Joaquin Valley. The bills would also streamline environmental reviews for the giant garter snake.

Specifically, the bills would:
- Establish new parameters for San Joaquin Valley water transfers that can be authorized by the Bureau of Reclamation. Previously, the Bureau of Reclamation would not approve water transfers if it was determined that the seller with surplus water could have used the water (i.e., for irrigation or groundwater storage purposes), even if the transfer was proven to have no negative impact on the environment. The legislation would explicitly grant the Bureau the authority to approve these types of East-West transfers, as long as they qualify under environmental regulations.

The Bureau of Reclamation estimates that this section of the bill could yield up to 100,000 or 150,000 acre-feet of water transfers per year.

- Direct the Interior Department to streamline the giant garter snake environmental review for water transfers from the Sacramento Valley to the San Joaquin Valley by ensuring that they occur on a programmatic basis rather than on a project-by-project basis, which is the current practice. This would allow the Bureau of Reclamation to approve North-South water transfers more promptly, which ensuring that the endangered giant garter snake is protected sufficiently.

The Bureau of Reclamation and Central Valley water users estimate that this section of the bill could yield up to 150,000 to 200,000 acre-feet of water transfers per year.

- Direct the Bureau of Reclamation to analyze existing transfers and prepare recommendations on whether there are other ways to facilitate future Central Valley transfers more efficiently. This would include transfers from north to south and from east to west, as well as between California state and federal projects.

A similar provision to temporarily authorize water transfers was included in the conference report for the Fiscal Year 2010 Energy & Water appropriations bill (H.R. 3183). The House passed the conference last
week and the Senate is expected to act on it shortly. The newly introduced legislation would make the transfer facilitation permanent.

**APPROPRIATIONS: HOUSE APPROVES CONFERENCE REPORT ON AGRICULTURE APPROPRIATIONS**


The bill appropriates $23.3 billion in discretionary spending, compared to the $20.6 billion in discretionary spending enacted for FY09, and the President’s request of $22.98 billion. The House passed bill contained $22.9 billion versus the Senate's $23.58 billion.

In mandatory spending, the conference report appropriates $97.83 billion, compared to the FY 2009 enacted amount of $87.80 billion, and the President’s request: of $100.85 billion. The House passed bill had $100.85 billion and the Senate passed bill $100.85 billion in mandatory spending.

Key provisions in the bill include:

- Supplemental Nutrition Assistance Program (SNAP): $58.278 billion, $4.309 billion above 2009
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): $7.252 billion, $398 million above the 2009 non-emergency enacted level
- Child Nutrition programs: $16.9 billion, $1.9 billion above 2009
- Food and Drug Administration (FDA): $2.36 billion, $7 million above the request and $306 million above 2009. An additional $893 million will be collected in user fees.
- Food Safety and Inspection Service (FSIS): $1.02 billion, matching the request and $47 million above 2009
- Agricultural Research: $2.767 billion, $174 million above 2009, for USDA research agencies, including the:
  - Agricultural Research Service: $1.25 billion, $97 million above the request and $63 million above 2009.
  - National Institute of Food and Agriculture: $1.343 billion, $176 million above the request and $121 million above 2009, including an increase of nearly $61 million for competitive agricultural research grants.
- Single Family Housing Loans: $214 million in budget authority to support more than $13 billion in direct and guaranteed single family housing loans.
- Animal and Plant Health: $909.67 million, $32.5 million above the request and $28.3 million above 2009
- Dairy Assistance: $350 million to provide assistance to the nation’s dairy farmers
- Country of Origin Labeling (COOL): Fully funds the costs to continue overseeing country of origin labeling for fresh fruits and vegetables, meats and other products.

**APPROPRIATIONS: CONFERENCE COMMITTEE AGREES ON FY10 HOMELAND SECURITY APPROPRIATIONS**

The House-Senate Conference Committee approved the Conference Report for the FY 2010 Department of Homeland Security (H.R. 2892) on October 7, 2009. The Conference Agreement provides $42.776 billion in funding, compared to the 2009 enacted level of $40.128 billion and the President’s Request of $43.071 billion (includes Coast Guard Overseas Contingencies). The House passed bill contained $42.617 billion, while the Senate passed funding was $42.927 billion.

Main provisions in the bill include:

- **Customs and Border Protection (CBP):** $10.1 billion, $306 million above 2009, excluding stimulus funding. Funding within CBP for border security includes:
  - **Border Security Fencing, Infrastructure, and Technology (BSFIT):** $800 million for Southwest Border investments, $25 million above 2009, and $22 million above the budget request. Through a mix of fencing, technology, and Border Patrol agents on the ground CBP now has nearly 700 miles of Southwest border under effective control, the report notes, compared to 241 miles in FY 2005.
  - **Border Patrol:** $3.587 billion, $86 million above 2009, to support 20,163 Border Patrol agents – an increase of 6,000 (or more than 50 percent) since 2006.
  - **Southwest Border Counterdrug Initiatives:** $72.6 million, including $20 million for additional scanning systems for southbound lanes and checkpoints, and $26 million above the request for 50 additional CBP officers, 100 Border Patrol agents, and 33 support personnel and equipment to stop the outbound flow of weapons and currency used in the drug trade.
  - **Western Hemisphere Travel Initiative:** $145 million, as requested, to continue deploying technology and infrastructure at the 46 busiest border ports of entry and to facilitate travel and security for all travelers.

- **Immigration and Customs Enforcement (ICE):** $5.437 billion, $447.7 million above 2009, including:
  - **Dangerous Criminal Aliens:** $1.5 billion for identifying and removing from the United States criminal aliens who are either at-large or already incarcerated in prisons or jails once an immigration judge has ordered them deported.
  - **Secure Communities:** Included in the $1.5 billion is $200 million, $50 million above 2009, for a program that allows local law enforcement to check fingerprints of people booked on criminal charges for immigration and criminal records.
  - **Southwest Border Violence:** $100 million to combat international trade in illicit drugs, weapons smuggling and crimes associated with violence along the Southwest Border. This is part of an overall $99 million increase over 2009 for ICE investigations.
  - **Detention Capacity:** Funding for 33,400 detention beds and statutory language requiring that this number of beds be maintained throughout the fiscal year.
  - **Worksite Enforcement:** $135 million, $6 million above the request, to hire special agents to perform audits of employers.
  - **Alternatives to Detention:** $70 million, $6 million above the request, to expand this program nationwide.

- **United States Visitor and Immigrant Status Indicator Technology (US-VISIT):** $373.7 million, $73.7 million above 2009, for the US-VISIT program which uses biometrics to track the entry of visitors to the United States. The bill directs that a total of $50 million be used to implement a biometric air exit capability in order to determine if individuals have overstayed their visas.

- **United States Citizenship and Immigration Services:** $224 million, $122 million above 2009, including $5 million to cover naturalization of immigrants serving in the U.S. armed services, $50 million for processing asylum and refugee applications, and $11 million to expand immigrant integration and outreach efforts that promote legal paths to US citizenship.

- **E-Verify:** Includes a 3-year extension of E-Verify, as requested, and $137 million to operate the system and further improve its accuracy and compliance rates.
Transportation Security Administration (TSA): $7.7 billion, $678.7 million above 2009, excluding stimulus funding.

Federal Law Enforcement Training Center: $282.8 million for personnel and construction.

FEMA: $903 million for FEMA Management and Administration. Together with amounts made available for management and administration from other FEMA accounts, these activities are funded at $9 million above fiscal year 2009.

Science and Technology: $1.006 billion, $73.9 million above 2009, for research on homeland security priorities, such as counter-improvised explosives devices, cyber security, air cargo security, and first responder technologies.

Homeland Security Grants: $4.17 billion, almost $300 million above the request, for grants to first responders and partners in homeland security, including:

- State Grants: $950 million, matching the request and 2009, for grants used to plan, equip and train local first responders to respond to terrorist attacks and catastrophic incidents, including $60 million for Operation Stonegarden.

- Urban Area Security Grants: $887 million, matching the request and $50 million above 2009, to help high-risk urban communities prevent, respond to, and recover from terrorist attacks.

- Rail/Transit Security Grants: $300 million, $50 million above the request, to protect critical transit infrastructure, including freight rail, Amtrak and ferry systems in high-threat areas.

- Port Security Grants: $300 million, $50 million above the request, to assist ports in enhancing maritime domain awareness and enhancing risk management capabilities to prevent, detect, and respond to terrorist attacks.


- Fire Grants (including SAFER): $810 million, $220 million above the request and $35 million above 2009, to help local fire departments address communication, equipment and staffing problems. Of this total, $420 million is for SAFER, as requested, and $390 million is for fire grants.

- Metropolitan Medical Response System: $41 million, $1 million above the request, to help high-threat communities respond to mass casualty incidents.

- Interoperable Communications: $50 million, matching the request and 2009, for help firefighters and emergency responders talk to each other during a crisis.

- Emergency Operations Centers: $60 million, $25 million above 2009, to equip and upgrade central command facilities used by emergency personnel during disasters.

REAL ID: $60 million, $40 million below 2009, to help states comply with REAL ID, which requires state driver’s licenses to meet new standards in order to be used for federal identification purposes. Of this total, $50 million is for the driver’s license security grant program, the same as 2009, and $10 million is for REAL ID hub development.

Visa Extensions: Provides three year authorization extensions for the religious worker (visa), rural-serving doctors (Conrad 30-J visa), and investor (EB-5 visa) programs.

Humanitarian Treatment for Surviving Spouses and Other Relatives of Deceased Immigrant Sponsors: Provides statutory authority for USCIS to complete processing of permanent residence applications for surviving spouses and other relatives of immigration sponsors who die during the adjudication process.

Further information can be found at either: http://appropriations.house.gov or http://appropriations.senate.gov.

Science & Tech: Markup on Algal Blooms, Solar Energy R&D and Water Intensity Legislation

On October 7, 2009, the House Science and Technology Committee (Chairman Gordon, Tenn), held a mark up of HR 3650, HR 3585, and HR 3598. All three bills were passed by voice vote.
H.R. 3650, Harmful Algal Blooms and Hypoxia Research and Control Amendments Act of 2009, passed the Committee by a voice vote. The bill is co-authored by Energy and Environment Subcommittee Chairman Brian Baird (WA) and Research and Science Education Subcommittee Ranking Member Vernon Ehlers (MI). If passed, it would require an Interagency Task Force to create a National Harmful Algal Bloom and Hypoxia Program to address and reduce marine and freshwater harmful algal blooms and hypoxia.

H.R. 3585, the Solar Technology Roadmap Act, passed the Committee by a voice vote with amendments from Subcommittee Chairwoman Giffords, Rep. Gary Peters (MI), Technology and Innovation Subcommittee Vice Chairman Ben Ray Luján (NM), Rep. Judy Biggert (IL), Rep. Roscoe Bartlett (MD) and Rep. Brian Bilbray (CA). This bill would require the Secretary of Energy to create a comprehensive process for creating a roadmap for solar RD&D activities.

H.R. 3598, Energy and Water Research Integration Act, passed the Committee by a voice vote with amendments from Chairman Gordon, Rep. Kathy Dahlkemper (PA), Rep. Adrian Smith (NE), and Rep. Eddie Bernice Johnson (TX). The bill would require the Secretary of Energy to integrate water-related issues into DOE's current energy and energy efficiency RD&D programs. The bill also creates the Energy-Water Architecture Council (EWAC), a program within DOE, to coordinate with the industry, academics and other relevant federal agencies to collect and report interagency data.

For more information please see the Committee's website: http://science.house.gov/.

**BRIEFING:** USC HOSTING BRIEFING ON TV STORYLINES AND MINORITY HEALTH

Hollywood, Health & Society, a program of the University of Southern California Annenberg School for Communication’s Norman Lear Center, is hosting a Congressional briefing on *How TV Storylines Improve the Health of Minority Communities* on Friday, October 16 at 10 a.m. in 121 Cannon House Office Building.

Hollywood, Health & Society provides entertainment industry professionals with accurate and timely information for health storylines in order to promote public health, including free consultations and briefings with the Centers for Disease Control and partner experts. The briefing will feature Dr. Zoanne Clack, supervising producer of Grey's Anatomy, and Sandra de Castro Buffington, director of the Hollywood, Health & Society program.

To attend, RSVP to Jennifer Grodsky at 202-824-5860 or grodsky@usc.edu. For more information, visit www.usc.edu/hhs.

**CLIMATE/ENERGY:** BOXER, KERRY INTRODUCE THE CLEAN ENERGY JOBS AND AMERICAN POWER ACT

On September 30, 2009, Senators Barbara Boxer and John Kerry (MA) introduced the Clean Energy Jobs and American Power Act. As introduced, the bill:

Amends Title VIII of the Clean Air Act to require EPA to establish greenhouse gas emission standards for new heavy-duty vehicles and engines, and for non-road vehicles and engines.

Requires the EPA Administrator, in consultation with the Secretary of Transportation, to establish national greenhouse gas emission reduction goals, as well as standardized emission models and related methodologies to be used by States and metropolitan planning organizations (MPOs).

Requires the Secretary of Transportation to provide grants to States and MPOs to help reduce greenhouse gas emissions from the transportation sector.

Amends Title VIII of the Clean Air Act to expand an existing EPA loan and fuel saving technology deployment program, the SmartWay Transport Partnership, to help American truckers upgrade to more fuel efficient and less polluting vehicles.
Requires the EPA Administrator, in consultation with the heads of other relevant Federal agencies, to submit to Congress a report setting forth a unified and comprehensive strategy to address the key legal and regulatory barriers to the commercial-scale deployment of carbon capture and storage.

Amends the Clean Air Act to require the Administrator to establish a coordinated approach to the certification and permitting of sites where geologic sequestration of carbon dioxide will occur.

Requires the EPA Administrator to promulgate regulations to minimize the risk of escape to the atmosphere of carbon dioxide injected for geologic sequestration and details the requirements of such regulations.

Amends the Clean Air Act to establish performance standards for new coal-fueled power plants permitted in 2009 or thereafter. Describes eligibility criteria, applicable emission standards, and the schedule upon which such standards must be met. Plants permitted in 2020 or thereafter are required to meet specified standards once they begin operations. Plants permitted from 2009-2020 are required to meet the specified standard within four years after certain technology deployment criteria are met but no later than 2025.

Establishes a program for the demonstration and early deployment of carbon capture and sequestration (CCS) technologies.

Authorizes fossil fuel-based electricity distribution utilities to hold a referendum on the establishment of a Carbon Storage Research Corporation. If approved by entities representing two-thirds of the nation's fossil fuel-based delivered electricity, the Corporation would be operated as a division or affiliate of the Electric Power Research Institute and would assess fees totaling approximately $1 billion annually for ten years, to be used by the Corporation to fund the large-scale demonstration of CCS technologies in order to accelerate the commercial availability of those technologies.

Establishes a policy of promoting a safe and clean nuclear energy industry, through reductions in financial and technical barriers to construction and operations incentives for the development of a well-trained workforce and the growth of safe domestic nuclear and nuclear-related industries.

Establishes a grant program, administered by EPA, to provide assistance for training of workers that will be essential for the growth of safe domestic nuclear and nuclear-related industries.

Establishes programs to provide grants and other assistance for research projects that seek to develop new technologies for nuclear waste management.

Authorizes EPA's WaterSense program, a voluntary program for labeling water-efficient high-performance products and services. Provides the same type of labeling for water-efficient products and services as currently in place for energy-efficient products under the Energy Star program.

Authorizes grants to eligible entities for programs offering incentives to consumers who purchase and install water-efficient products and services such as those labeled under WaterSense.

Provides for grants by EPA to nonprofit organizations for competitive programs supporting start-up businesses in the areas of energy efficiency, renewable energy, air quality, water quality and conservation, transportation, smart grid, green buildings, and waste management.

Requires EPA to establish a state recycling program and develop analyses and methodologies to optimize reductions of greenhouse gas emissions through recycling. Provides that funds distributed by States under the Act to carry out recycling programs be allocated in minimum proportions among county and municipal programs, eligible recycling facilities, and eligible manufacturing facilities.

Establishes a new program to provide assistance to agriculture and forestry landowners for projects that reduce greenhouse gases or sequester carbon. Establishes a research program for the development and deployment of renewable energy technologies in the agricultural and forestry sectors.

Authorizes the Economic Development Administration to provide up to $50 million per year in technical assistance and grants for projects that promote green economic development in distressed communities.
Directs EPA to establish a program to provide grants and other assistance to renewable energy projects in states with mandatory renewable portfolio standards.

Directs EPA to establish a program to provide grants for research and development into advanced biofuels.

Requires the EPA Administrator, or such other agency head as the President designates, to set a national goal for improvement in building energy efficiency, promulgate a rule establishing national energy efficiency building codes for residential and commercial buildings, and regularly report to Congress on progress in improving building efficiency.

Establishes the Retrofit for Energy and Environmental Performance Program to provide allowances to States to conduct cost-effective building retrofits. Provides that States may use local governments or other agencies or entities to carry out the work and may use flexible forms of financial assistance providing up to 50% of the costs of retrofits, with funding increasing in proportion to efficiency achievement. Provides additional assistance for the retrofitting of historic buildings. Directs the Administrator of EPA to establish standards and guidelines for the program, in consultation with the Secretary of Energy. Requires States to offer preferential access to at least 10% of dedicated program funding to public and assisted housing. Nothing in this section would require a homeowner to audit or retrofit their home to ensure that it meets building code requirements.

Amends the Clean Air Act to allow State and local governments to set fuel efficiency standards for emissions from taxi cabs at least as stringent as applicable Federal standards.

Authorizes EPA to carry out a program to provide incentive payments for power generation projects that achieve reductions in greenhouse gases as compared to the electric utility sector average.

Authorizes EPA to carry out a program to provide grants for research and development of advanced technologies, including carbon capture and storage, that reduce greenhouse gas emissions from natural gas-fueled electricity generation facilities.

Authorizes EPA to carry out a program to provide grants to support research and development on innovative energy technologies that reduce US dependence on foreign energy sources and reduce greenhouse gas emissions.

Requires EPA to establish and provide funding for a research program, to be conducted through a nonprofit water research foundation and sponsored by drinking water utilities, to assist utilities in adapting to the effects of climate change.

Authorizes the Secretary of Education to award grants, on a competitive basis, to eligible partnerships to develop programs of study focused on emerging careers and jobs in the fields of clean energy, renewable energy, energy efficiency, climate change mitigation, and climate change adaptation.

Requires the Secretary of Labor, in collaboration with the Secretary of Energy and the Secretary of Education, to develop an internet-based information and resources clearinghouse to aid career and technical education and job training programs for the renewable energy sectors.

Requires the Secretary of Labor, in consultation with the Secretary of Energy, to establish a Green Construction Careers demonstration project to promote careers and quality employment practices in the green construction sector and to advance efficiency and performance on construction projects related to the Act.

Establishes a program pursuant to which any worker displaced as a result of Title VII of the Clean Air Act would be entitled to 156 weeks of income supplement, 80% of their monthly health care premium, up to $1,500 for job search assistance, up to $1,500 for moving assistance, and additional employment services for skills assessment, job counseling, training, and other services. Payments under the program cannot exceed the proceeds from the auction of allowances set aside for this purpose.

Requires the President to establish a National Climate Change Adaptation Program to increase the overall effectiveness of Federal climate change adaptation efforts, and to establish within the National Oceanic and Atmospheric Administration a National Climate Service to develop and
disseminate climate information, data, forecasts, and warnings at national and regional scales.

States the sense of Congress that the Federal Government should take all means and measures to prepare for and respond to the public health impacts of climate change. Requires the Secretary of Health and Human Services to prepare and implement a national strategic action plan to assist health professionals in preparing for and responding to the impacts of climate change on public health, with disease surveillance, research, communications, education, and training programs, supported by a science advisory board and a needs assessment.

States the policy of the Federal Government to use all practicable means and measures to assist natural resources to adapt to climate change. Establishes a Natural Resources Climate Change Adaptation Panel, chaired by the White House Council on Environmental Quality, as a forum for interagency coordination on natural resources adaptation.

Requires the Adaptation Panel to develop a strategy for making natural resources more resilient to the impacts of climate change and ocean acidification. The strategy is to assess likely impacts to natural resources, strategies for helping wildlife adapt, and specific actions that Federal agencies should take.

Establishes a process through National Oceanic and Atmospheric Administration and the U.S. Geological Survey National Global Warming and Wildlife Science Center, to provide technical assistance, conduct research, and furnish decision tools, monitoring, and strategies for adaptation.

Requires States to develop Natural Resources Adaptation Plans as a condition for receiving funds under the programs in this subtitle.

Provides that allowances devoted to state natural resources adaptation be distributed to the States, with 32.5% going to State wildlife agencies and 6% to State coastal agencies.

Requires the EPA Administrator to establish a water system mitigation and adaptation partnership program for distribution of funds under the Act by States as grants for water system adaptation projects. Identifies eligible parties and uses. Provides for a competitive process, prioritizing applications for water systems at the greatest and most immediate risk of facing significant climate-related negative impacts, and establishes requirements and goals to be met by States in awarding grants.

Requires the Administrator to establish a program for distribution of funds by States under the Act for flood control, protection, prevention and response projects. Establishes eligible uses, objectives and priorities.

Establishes a program to provide grants for education programs to raise awareness of homeowners and citizens about wild-land fire protection practices, including Fire Wise or similar programs, training programs for local firefighters on wild-land firefighting techniques and approaches, equipment acquisition to facilitate wild-land fire preparedness, implementation of a community wildfire protection plan, and forest restoration that accomplishes fuels reduction.

Requires the EPA Administrator to distribute annually funding for coastal State economic protection under the Act pursuant to a prescribed formula, for projects and activities addressing the impacts of climate change in coastal watersheds.

Amends the Clean Air Act to add Title VII to establish a declining limit on global warming pollution and to spur private investment in technologies to reduce global warming pollution.

States that the goals of Title VII and Title VIII are to reduce economy-wide global warming pollution to 97% of 2005 levels by 2012, 80% by 2020, 58% by 2030, and 17% by 2050.

Requires that the regulations issued under Title VII reduce emissions of covered sources to 97% of 2005 levels by 2012, 80% by 2020, 58% by 2030, and 17% by 2050.

Directs the EPA Administrator to achieve additional low-cost reductions in global warming pollution equal to an additional 10 percentage points of reductions from U.S. emissions in 2005 by
using a small portion of the emissions allowances to provide incentives to reduce emissions from international deforestation.

Establishes a list of greenhouse gases regulated under this title: carbon dioxide, methane, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons (HFCs) emitted as a byproduct, perfluorocarbons, and nitrogen trifluoride. The EPA Administrator may designate additional anthropogenic greenhouse gases by rule.

Lists carbon dioxide equivalents for each gas. Requires periodic review of equivalence values by the Administrator.

Directs EPA to establish a Federal greenhouse gas registry and comprehensive reporting system for greenhouse gas emissions.

Provides the Administrator the discretion to regulate the production of perfluorocarbon either under the emissions limits established under Section 722 or through a combination of best available control technology combined with a mandatory phase-down schedule.

Establishes an annual tonnage limit on greenhouse gas emissions from specified activities. Directs the EPA Administrator to establish allowances equal to the tonnage limit for each year (with one allowance representing the permission to emit one ton of greenhouse gases, measured in tons of carbon dioxide equivalent).

Permits unlimited banking of allowances for use during future compliance years. Establishes a two-year rolling compliance period by allowing covered entities to borrow an unlimited number of allowances from one year into the future. Covered entities may also satisfy up to 15% of their compliance obligations by submitting emission allowances with vintage years 2 to 5 years in the future, but must pay an 8% premium (in allowances) to do so.

Directs the Administrator to create a "market stability reserve" of emission allowances that will be auctioned at a minimum set price ($28/ton in 2012) that increases annually.

Clarifies the obligations of operators of stationary sources under the Clean Air Act's Title V operating permit program under the newly-established Title VII program.

Establishes criteria that must be met before allowances from foreign programs can be used for compliance by covered entities.

To ensure a supply of offset credits in the early years of the program, allows for the issuance of offset credits for offsets from State or other programs that meet specified criteria. Limits the issuance of offset credits under this section to reductions that occur between January 1, 2009, and three years after enactment or the effective date of Federal offset regulations, whichever is sooner.

Requires additional environmental considerations for forestry and other land management-related offset projects.

Provides that the trading provisions applicable to allowances are also applicable to offset credits.

Provides for emission allowances to be distributed for three primary goals: to protect consumers from energy price increases, to assist industry in the transition to clean energy, and to spur energy efficiency and the deployment of clean energy technology. Allocates allowances to prevent deforestation and support national and international adaptation efforts and for other purposes.

Provides for allocation and auction of allowances.

Directs distribution of allowances allocated for the benefit of consumers to local electricity distribution companies (LDCs), whose retail rates are regulated by States or other entities.

Directs distribution of allowances for merchant coal generators and for certain generators with long-term power purchase agreements, and to small LDCs to support renewable electricity deployment, energy efficiency programs, and consumer assistance for low-income ratepayers.

Amends section 116 of the Clean Air Act to preserve States' existing authority to adopt and enforce standards or limitations on air pollution under the Clean Air Act, including greenhouse gas emissions.
Bars States from implementing or enforcing a Comprehensive Greenhouse Gas Emission Limitation program to control greenhouse gas emissions covered by Title VII. The moratorium begins in 2012 or 9 months after the first auction, whichever is earlier, and continues through the year 2017. Includes section 862, which authorizes the Administrator to make grants to air pollution control agencies under section 105 of the Clean Air Act to implement global warming programs established under the Clean Air Act.

States the sense of the Senate that there shall be a carbon market oversight program to provide for effective and comprehensive market oversight and enforcement that lowers systemic risk and protects consumers.

Establishes a program that rebates emission allowances to eligible industrial sectors to compensate these sectors for costs incurred as a result of compliance with Title VII of the Clean Air Act, as added by this Act.

Distributes emission allowances for development and demonstration of a national transportation low-emission energy plan; use of domestically-produced plug-in electric drive vehicles; and grants to reduce diesel engine emissions.

Distributes emission allowances to States, Indian tribes, local governments, metropolitan planning organizations, and renewable electricity generators for programs to reduce greenhouse gas emissions, promote energy efficiency and conservation, and accelerate the deployment of renewable energy sources.

Distributes emission allowances for other purposes including: implementing building codes, providing assistance for energy efficiency building retrofits, the Energy Efficiency and Renewable Worker Training program authorized in the Workforce Investment Act of 1998, worker transition assistance, and more.

A complete analysis of the impacts of the bill on California will be available from the California Institute soon. A complete summary of all of the major components of the bill and the bill text is available at: http://epw.senate.gov/public/index.cfm?FuseAction=Home.