

The Clean Air Relief Act (CARA): Submitted by Valerie Gardner

Verticals

Covid relief, clean air, energy, clean energy, CCUS, manufacturing, health, healthcare, education, environmental protection, investment planning, economic stimulus.

Executive Summary/Problem being solved: This is a proposal for legislation called the [Clean Air Relief Act](#) that addresses most of the pressing issues facing America: the need for immediate Covid relief, economic stimulus sufficient to actually restart the economy, ensuring better air quality and reduced healthcare costs, while also addressing climate change and creating abundant clean energy jobs. This approach provides a funding mechanism for ongoing Covid relief stimulus payments that, importantly, does not further increase the U.S. deficit but instead aligns incentives and provides relief according to responsibility and need.

Recommended Actions: We propose that Biden update and upgrade the [Clean Air Act](#), originally passed in 1970, and commence with the imposition of small fees on polluters for each ton of emissions, with a rapid fee escalation schedule. In return, much of the other regulatory burdens on emitters will be reduced or eliminated. Critically, this change employs the "revenue-neutral" concept embodied in HR 763, the [Energy Innovation and Carbon Dividend Act](#), and returns the fees collected from polluters for their emissions to the most impacted Americans. Emitters will also pay a fee for their greenhouse gas emissions, including CO2 and methane (which the Supreme Court acknowledged as harmful). The EPA will assess the fees electronically, and emitters will submit quarterly payments along with a certification (much like a tax return). The fees shall be used to provide a monthly stipend for Covid Relief and Economic Stimulus to lowest earners, that provides ongoing minimum income, yielding a robust economic stimulus.

Authority: Existing Clean Air Act, Amended or a new "Clean Air Relief Act" which provides the fee as a penalty to those businesses which have not succeeded in eliminating their emissions after 50 years of the EPA working to control emissions.

Agencies/Funding: EPA will set the rates on nearly 200 controlled substances and GHGs and provide an estimated assessment to all industrial polluters. All corporations will have to provide a certified statement of emission volume, confirming or contesting the EPA's assessed amounts and pay their fee. If a business has an abandoned fracking well that is leaking, they still must pay the fees on that property or forfeit the property. The EPA will train and certify professional emissions assessors, and each business will have to have their assessments certified by one of these professionals. The need for new emissions assessors will add jobs. Additionally, the EPA will conduct random audits and assess big penalties for inaccurate assessments. The penalties assessed by those providing inaccurate reports will be quite severe and will fund the EPA's administrative costs for implementing this program. All assessment and fees will be made public, so the public will be able to do their own investigations and report inaccuracies, if they have found higher levels of emissions. The IRS will provide the "dividend" payment to the appropriate taxpayers, which shall be those earning less than \$200,000 annually.

Economic Benefits/Environmental Benefits: Polluter fees will be set low initially but will be assessed on all polluting businesses, so every entity can do its part. It will be a small hit initially but it will eat up an increasingly large component of profits, if action is not taken. Fees will increase annually to reach the *level equal to the real cost of capturing and cleaning up those*

emissions within a few years. This will simplify economics and make air polluters pay a fee for all their emissions and so will motivate them to reduce their pollution. Those emitting CO₂, methane and other greenhouse gases will be included in the broader group of polluters—rather than singled out by a "carbon tax"—and these fees will be seen as providing environmental justice, especially for those mostly likely injured by pollution and extreme weather.

While American goods will incur price increases as a result, the monthly stipend provided by this "revenue-neutral" approach will more than compensate for the extra costs to the majority of lower-income citizens. Those who think that the costs of polluting products is too high, will be inclined to switch to cleaner products, which will increasingly cost less and become much more appealing. A border fee will have to be assessed as well.

To avoid the fees, businesses can adopt cleaner methods, clean energy and additional scrubbers and/or capture technologies. This will profoundly stimulate the growth of clean energy and CCUS technologies, which is how we will transition to a clean economy, without the big fight over a "Carbon Tax." By inclusively grouping GHGs with other pollutants, Biden will start us down the path to seriously reduced emissions of CO₂ and other greenhouse gases and improved climate prospects. This will raise the cost of fossil fuels dramatically and finally level the playing field in the energy sector that is so vital for addressing climate change. If done properly, clean air regulations become less burdensome and bureaucratic and also more rational and effective. They reduce risk and align corporate incentives improving returns. Meanwhile, clean air funds distributed will support those who have lost jobs, keep them in their homes but also give them the resources they need to kick-start the economy and help create more regular jobs again.

The CARA fee will be paid only so long as pollution emissions continue. How long it lasts will depend upon whether companies clean up their acts, providing exactly the type of alignment of incentives and continuing stipend from the government to cover a few years of Covid relief needs, allow the U.S. economy to recover yet commencing the transition to a clean economy. Most importantly, by including CO₂ and other greenhouse gases, the U.S. de-risks the economy by putting a clear "price" on carbon in a way that conservative Republicans can approve, since it allocates responsibility appropriately and simplifies regulation in the process, while limiting government growth and sending predictable signals to the marketplace.

We propose that minors qualify for a full share but that their share (or a large portion of it) be put into a trustee account on their behalf, to be used either for their college education or for their own healthcare costs. This provision if carefully designed, will fulfill Democrats' pledge to subsidize the costs of college education or make it free. Providing the creation and oversight of student trustee accounts will also provide some additional finance jobs.

Support/Opposition: Toxic emitters, industrial polluters and the like, who have long externalized their waste, will obviously object but the public and voters will adamantly support finally putting teeth behind the Clean Air Act, as polluted air is a major contributor to premature deaths in the U.S. and around the world as well as climate change, which threatens our future.

Key Experts: I am a JD/MBA who has long been a problem-solver and very concerned about climate for almost two decades. This idea was an epiphany that I had, when it became apparent that we would not win the Senate. I consulted with Richard Kauffman on this concept, who advised me to send this to you. I have put together a [website](#) for the sole purpose of getting help relaying this idea to Biden and his policy teams as quickly as possible.