Table 2A.1. Timeline of Health Reform Events

The 2008 Election and Obama's Commitment to Health Reform

March 24, 2007	Only weeks into his presidential bid, Obama performs unevenly at a health care forum with other presidential candidates. He remarks, "I will judge my first term as president based on . . . whether we have delivered the kind of health care that every American deserves and that our system can afford."
June 5, 2008	Senator Obama holds Health Care Town Hall in Bristol, Virginia. He discusses cost-cutting measures and preventative care.
August 28, 2008	Senator Obama accepts the Democratic nomination in Denver, Colorado, saying, "Now is the time to finally keep the promise of affordable, accessible health care for every single American."
October 4, 2008	Senator Obama outlines his health care plan in remarks in Newport News, Virginia, opposing a tax on insurance and offering Americans access to private plans comparable to those for federal employees.
February 17, 2009	The president signs the American Recovery and Reinvestment Act, which includes significant health care funding, including $87 billion in additional federal matching funds for Medicaid, $25 billion for COBRA subsidies, and more than $30 billion in other health-related spending (Kaiser Family Foundation 2009).
February 26, 2009	The 2010 fiscal year budget proposal includes a more than $630 billion reserve fund to cover part of the cost of health care reform (Office of Budget and Management 2009).
March 5, 2009	White House holds a forum on health care reform that includes a wide array of administration officials,

prominent members of Congress, and representatives for insurance companies, patients, doctors, hospitals, and the pharmaceutical industry.

Battles over House and Senate Legislation

May 11, 2009	Six major stakeholders in the health care industry—the Advanced Medical Technology Association (AdvaMed), the American Hospital Association (AHA), the Pharmaceutical Research and Manufacturers of America (PhRMA), the American Medical Association (AMA), the association of America's Health Insurance Plans (AHIP), and the Service Employees International Union (SEIU)—sign on to a letter nominally supporting reform of health care and offering some voluntary cost-cutting measures.
June 2009	In a series of speeches, Town Halls, and meetings with congressional leadership, President Obama turns the agenda to health care. Senator Edward Kennedy (D-MA) circulates a plan for a health care reform bill.
June 15, 2009	President Obama addresses the AMA, saying, "One essential step on our journey is to control the spiraling cost of health care in America. And in order to do that, we're going to need the help of the AMA."
July 14, 2009	Three House committees—Energy and Commerce, Ways and Means, and Education and Labor—all agree on a single health care bill, the House Tri-Committee America's Affordable Health Choices Act, HR 3200.
July 15, 2009	The Senate Health, Education, Labor, and Pensions (HELP) Committee passes its version of health care reform legislation, the Affordable Health Choices Act, S 1679.
July 22, 2009	President Obama holds press conference with AARP.
August 2009	During the August recess, members of Congress confront angry constituents at Town Halls. Senator Chuck Grassley (R-IA), who had been a key negotiator in an effort to produce bipartisan health care reform, argues for a much narrower bill (Montgomery and Bacon 2009).

August 16, 2009	The president signals his willingness to drop the public option (Stolberg 2009).
September 9, 2009	President Obama addresses a joint session of Congress urging action on health care reform. He reiterates his priorities for this legislation, including an end to preexisting conditions exclusions and a new insurance exchange. He does not insist on including a public option, and emphasizes the need for deficit reduction.
October 13, 2009	The Senate Finance Committee approves its version of health care reform, the America's Health Future Act, by a vote of 14 to 9.
November 7, 2009	By a vote of 220 to 215, the House passes health care legislation, the Affordable Health Care for America Act, HR 3962. The final bill includes the Stupak Amendment, which restricts abortion coverage.
December 12, 2009	Senator Joseph Lieberman's (I-CT) unexpected opposition to the Senate bill leads Senator Harry Reid (D-NV) to remove both a buy-in to Medicare for those fifty-five and older and the opt-out public option that had previously been included in the legislation.
December 24, 2009	The Senate passes its health care bill, the Patient Protection and Affordable Care Act, HR 3590.
January 15, 2010	The president and top congressional Democrats agree on revisions to legislation, including—after extensive consultation with union officials—a tax on high-cost insurance plans.

Scott Brown Election and the Legislative Endgame

January 19, 2010	Republican Scott Brown defeats Democrat Martha Coakley to fill the Senate seat long held by Senator Edward Kennedy. Progress on final health care reform legislation comes to a halt.
January 27, 2010	President Obama delivers a State of the Union that says little about health care reform.

February 2010	Massive rate increases by Anthem Blue Cross spark national outrage.
February 22, 2010	For the first time, President Obama releases a specific policy proposal for health care reform. His recommendation closely mirrors the Senate legislation, modified as agreed between House and Senate negotiators.
February 25, 2010	President Obama leads the Bipartisan Meeting on Health Care Reform. Interviewed on CNN, White House senior advisor David Axelrod pushes an "up or down vote" on health care reform.
March 3, 2010	President Obama gives a speech calling for action on health care reform. "I, therefore, ask leaders in both houses of Congress to finish their work and schedule a vote in the next few weeks. From now until then, I will do everything in my power to make the case for reform."
March 20, 2010	As Speaker of the House Nancy Pelosi nears the necessary vote total to pass the Senate bill, President Obama rallies the House Democrats.
March 21, 2010	By a vote of 219 to 212, the House of Representatives passes the Senate version of health care reform, the Patient Protection and Affordable Care Act, HR 3590. By a vote of 220 to 211, the House passes the sidecar bill that revises the Senate legislation, the Health Care and Education Reconciliation Act, HR 4872.
March 23, 2010	President Obama signs the first part of the health care legislation, the Patient Protection and Affordable Care Act, into law. Attorneys general in fourteen states sue to block the health care reform law.
March 26, 2010	After numerous delays, the Senate votes for the reconciliation fixes, the Health Care and Education Reconciliation Act, by a vote of 56 to 43. Procedural questions raised by Senate Republicans force the House to vote on the legislation again. It passes a second time, 220 to 207.
March 30, 2010	President Obama signs the Health Care and Education Reconciliation Act into law.

Timeline for Implementation of Affordable Care Provisions

2010 *An end to rescission*: Insurance companies will no longer be able to rescind coverage when a person gets sick.

Better coverage for young people: Children can stay on their parents' plans until age twenty-six. Insurance companies will no longer be able to deny coverage to children because of their preexisting conditions.

Doughnut hole rebate: Provide a $250 rebate to Medicare beneficiaries who reach the Medicare Part D coverage gap, the first step in a process that will gradually close the doughnut hole in seniors' prescription drug coverage.

Small business tax credits: For small businesses that offer health insurance to their employees, tax credits will offset up to 35 percent percent of the employer contribution.

Expansion of Medicaid: States are given the option of extending Medicaid to all American citizens and legal residents ineligible for Medicare and earning less than 133 percent of the federal poverty line. Expansion must be complete by 2014; the federal government will offset states' costs.

Temporary high-risk pool: People with preexisting conditions unable to find insurance are eligible to join the high-risk pool and receive subsidies to make premiums affordable.

2011 *Better coverage for the elderly*: Cost-sharing is eliminated for recommended Medicare-covered preventive services.

2012 *Consumer protections*: New standards will govern how insurers provide information about different plans, allowing consumers to comparison-shop more easily.

2014 *Expansion of coverage*: Credits and subsidies to low- and middle-income families kick in to offset costs of health insurance. Businesses with fifty or more employees are required to offer health insurance or pay a penalty. All U.S. citizens must have qualifying health insurance, with exceptions for those with religious objections or financial hardship (despite public subsidies).

Health care exchanges: Health care exchanges in all states and regions will allow uninsured people and small businesses to shop for insurance in new marketplaces, providing consumers with better information about competing health plans and different levels of coverage.

Ending annual and lifetime limits: Insurers will no longer be able to cap coverage based on an annual or lifetime limit, protecting patients from losing their coverage when their medical expenses are highest.

Ending preexisting condition exclusions: Insurers can no longer deny coverage to adults because of preexisting conditions.

Shorter waiting periods: Waiting periods for coverage can last no more than ninety days.

2019 An additional 32 million Americans will be insured, according to CBO estimates.

Table 2A.2 The Trajectory of Health Care Reform, Major Benefits

Strongest Provision Weakest Provision

	Obama Principles	House Bill	Senate Bill	Law
		HR 3962: Affordable Health Care for America Act, Passed: November 7, 2009	HR 3590: Patient Protection and Affordable Care Act, Passed: December 24, 2009	PL 111-148: Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, Signed into law: March 30, 2010
Universal Coverage (Winerman 2010) *Overall increase in coverage from the current rate (83 percent of legal U.S. residents under sixty-five).*	In his campaign, Obama called for a mandate for all children to have coverage. As president, he suggested reform should "aim for universality."	96 percent covered.	94 percent covered.	95 percent covered.
Competition to Make Care More Affordable	Obama supported the creation of a National Health Insurance Exchange and, in general terms, a public insurance program to compete with private insurers.	Sets up a national insurance exchange marketplace. Includes a public option to compete with private health insurance plans.	Sets up state-based insurance exchange marketplaces. Does not include a public option or remove the health industry antitrust exemption.	Sets up state-based insurance exchange marketplaces. Does not include a public option or remove the health industry antitrust exemption.

		Would remove the health industry exemption from antitrust legislation.		
Support for Low- to Middle-Income Americans *The federal poverty line (FPL) was set in 2009 at $10,830 for a single person and $22,050 for a family of four.*	Candidate and President Obama called for the expansion of Medicaid and the State Children's Health Insurance Programs (SCHIP). In addition, he supported income-related federal subsidies to make private plans affordable for individuals and families not covered by Medicaid or SCHIP.	Expand Medicaid to all under sixty-five with incomes up to 150 percent of the FPL. To families with incomes between 133 and 400 percent of the FPL, provide tiered premium credits so families contribute between 3 and 12 percent of income to paying for insurance, and subsidies to cover up to 97 percent of medical costs.	Expand Medicaid to all under sixty-five with incomes up to 133 percent of the FPL. To families between 133 and 400 percent of the FPL, provide tiered premium credits so families contribute between 2 and 12 percent of income to paying for insurance. To families between 100 and 200 percent of the FPL, provide a sliding scale of credits to cover up to 90 percent of medical costs.	Expand Medicaid to all under sixty-five with incomes up to 133 percent of the FPL. To families between 133 and 400 percent of the FPL, provide tiered premium credits so families contribute between 2 and 9.5 percent of income to paying for insurance, and subsidies to cover up to 94 percent of medical costs.

(Table continues on p. 92.)

Table 2A.2 *(Continued)*

Strongest Provision ■ ■ ■ Weakest Provision

	Obama Principles	House Bill	Senate Bill	Law
Support for Young Adults and the Elderly	Obama supported closing the doughnut hole gap in Medicare prescription drug benefits, and recommended allowing those up to age twenty-five to stay on their parents' health insurance plans.	Over a ten-year period, closes the doughnut hole. Children can stay on their parents' plans until age twenty-seven. Insurance companies cannot charge more than twice as much for older people's premiums as they do for younger people's.	Reduces but does not close the doughnut hole. (Masterson and Carey. 2009) Children can stay on their parents' plans until age twenty-six. Insurance companies cannot charge more than three times as much for older people's premiums as those they offer younger people.	Closes the doughnut hole gap in Medicare prescription drug benefits by 2020. (Winerman 2010) Children can stay on their parents' plans until age twenty-six. Insurance companies cannot charge more than three times as much for older people's premiums as they do for younger people's.

Effective Regulation	Obama's plan declared that "no American will be turned away from any insurance plan because of illness or preexisting conditions."	Effective in 2010, prevents insurance companies from charging women higher premiums than men, excluding customers because of a preexisting condition, rescinding a policy when a person becomes sick.	Prevents insurance companies from charging women higher premiums than men, excluding customers because of a preexisting condition, rescinding a policy when a person becomes sick. Effective in 2010 for children, 2014 for adults.	Prevents insurance companies from charging women higher premiums than men, excluding customers because of a preexisting condition, rescinding a policy when a person becomes sick. Effective in 2010 for children, 2014 for adults.

Source: Author's compilation, unless otherwise noted, based on Kaiser Family Foundation 2010a (summaries of legislative provisions); Obama 2008 (Obama's principles); Office of Management and Budget 2009 (first presidential budget).

Table 2A.3 The Trajectory of Health Care Reform, Major Financing Provisions

Strongest Provision ▬ ▬ ▬ ▬ ▬ Weakest Provision

	Obama Proposals	House Bill	Senate Finance	Senate Bill	Law
		HR 3962: Affordable Health Care for America Act, Passed: November 7, 2009	America's Healthy Future Act (as Amended in Senate Finance Committee), Announced: September 17, 2009	HR 3590: Patient Protection and Affordable Care Act, Passed: December 24, 2009	PL 111-148: Patient Protection and Affordable Care Act, as Amended by the Health Care and Education Reconciliation Act Signed into law: March 30, 2010
High-Earner Tax *Tax increases for the wealthiest Americans.*	Proposes tax increases, including a reduction in the mortgage interest and charitable deductions, for those making over $250,000. Estimated ten-year revenue: $318 billion (Calmes and Pear 2009; Office of Management and Budget 2009).	Institute a 5.4 percent increase in the income tax on individuals earning more than $500,000 or families earning over $1 million. Estimated ten-year revenue: $460 billion (Elmendorf 2009b).	None.	Increase Medicare tax rate from 1.45 to 2.35 percent for individuals earning over $200,000 and couples earning over $250,000. Estimated ten-year revenue: $87 billion (Sahadi 2010).	For individuals earning over $200,000 and couples earning over $250,000, increase Medicare tax rate from 1.45 to 2.35 percent and institute a 3.8 percent tax on unearned income. Estimated ten-year revenue: $210 billion (Sahadi 2010).

Cuts to Government-Guaranteed Corporate Profits *Reductions in overpayments to insurance companies, health care providers, drug companies, and student loan bankers.*	FY2010 budget proposes health care savings totaling $316 billion, including $177 billion in savings from Medicare Advantage overpayments (Meckler 2009). In June 2009, Obama calls for an additional $309 billion in savings from Medicare and Medicaid (Obama 2009).	Reduce Medicare overspending by $440 billion over ten years, including $170 billion in Medicare Advantage savings (Masterson and Carey 2009).	Reduce Medicare overspending by $404 billion over ten years, including $117 billion from Medicare Advantage (Elmendorf 2009a).	Reduce Medicare overspending by $395 to $400 billion over ten years, including $118 billion in savings from Medicare Advantage.	Reduce Medicare overspending by $390 billion over ten years, including $136 billion in savings from Medicare Advantage (Davis et al. 2010).
	Note: Originally a separate piece of legislation, student loan reform was highlighted by the president in his first State of the Union and passed by the House in September 2009, but stalled in the Senate until a version was included with the final vote on health care reform.				Restructure student loan process, cutting out middle-men bankers, who profit from government-guaranteed student loans, saving $61 billion over ten years (Elmendorf 2010b).

(Table continues on p. 96.)

Table 2A.3 *(Continued)*

Strongest Provision ■ ■ ■ ■ ■ Weakest Provision

	Obama Proposals	House Bill	Senate Finance	Senate Bill	Law
Industry Fees *Annual fees and taxes affecting health-sector companies.*	In May 2009, President Obama meets with health-sector companies, and claims to have secured voluntary pledges from the industry to cut national health care spending by 1.5 percentage points each year, but the plan lacks detail.	2.5 percent tax on medical devices.	Fees include an annual fee of $2.3 billion for drug companies, $4 billion for medical device companies, and $6.7 billion for insurance companies. Estimated ten-year revenue: $88 to $93 billion (Hitt, Adamy, and Weisman 2009).	Fees include an annual fee of $2.3 billion for drug companies, $2 billion for medical device companies, rising to $3 billion after 2017, and a tiered fee system for insurance companies: $2 billion in 2011, $4 billion in 2012, $7 billion in 2013, $9 billion from 2014 through 2016, and $10 billion thereafter. 10 percent tax on tanning salons.	Fees include a 2.3 percent tax on medical devices, and a tiered fee system for drug and insurance companies. Insurance industry payments are delayed until 2014, but are linked to premium growth. These changes are expected to raise about $6 billion more than the Senate bill over ten years, and more thereafter. 10 percent tax on tanning salons.

Cadillac Tax *Tax on the most expensive health plans.*	None. Obama strongly opposes a tax on health care plans during his campaign, attacking Senator McCain for his support of such a proposal.	None.	On most health plans valued at over $8,000 for an individual or $21,000 for a family, there is a tax set at 40 percent of plan value. The provision is effective as of 2013, and linked to inflation. Estimated revenue: $210 billion (Elmendorf 2009a).	On most health plans valued at over $8,500 for an individual or $23,000 for a family, there is a tax set at 40 percent of plan value. The provision is effective as of 2013, and linked to inflation. Estimated revenue: $149 billion (Elmendorf 2010a).	On most health plans valued at over $10,200 for an individual or $27,500 for a family, there is a tax set at 40 percent of plan value. The provision is effective as of 2018, and linked to inflation after 2020. Estimated revenue: $32 billion (Elmendorf 2010b).
Free-Rider Penalty *Penalties on individuals without qualifying coverage and large employers not providing coverage.*	Obama never explicitly endorses an individual or employer mandate, calling only for a "plan that puts the United States on a clear path to cover all Americans" (Office of Management and Budget 2009, 27).	Uninsured would pay 2.5 percent of household adjusted income up to cost of national premium basic plan. Employers must cover 72.5 percent of premium for an individual or	Uninsured would pay a tax of $750 per adult per year. Employers with more than fifty employees not offering coverage pay a fee based on the average national tax credit for each employee	Uninsured would pay a tax equal to the greater of 2 percent of household adjusted income or $750 per person up to $2,250. Employers with more than fifty employees not	Uninsured would pay a tax equal to the greater of 2 percent of household adjusted income or $695 per person up to $2,085. Employers with more than fifty employees not

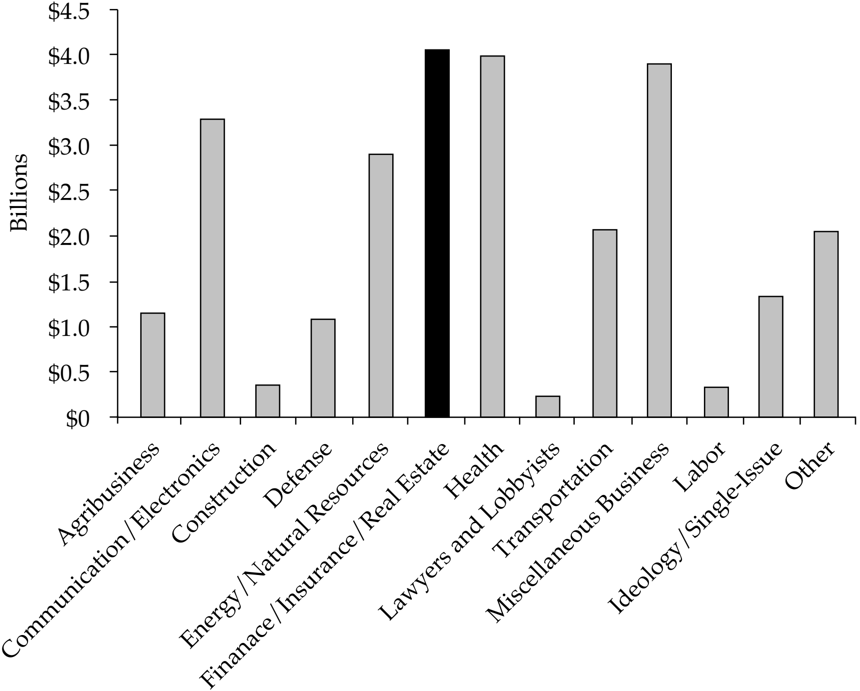
(Table continues on p. 98.)

Table 2A.3 *(Continued)*

Strongest Provision ■ ■ ■ ■ ■ Weakest Provision

	Obama Proposals	House Bill	Senate Finance	Senate Bill	Law
Free-Rider Penalty *(continued)*	Obama also emphasizes the need to make plans affordable to individuals and small businesses.	65 percent for a family, or pay 8 percent of payroll into the Health Insurance Exchange Trust Fund. Employers with payroll less than $500,000 are exempt, and fees are lower than 8 percent for businesses with a payroll less than $750,000. Estimated ten-year revenue: $168 billion (Elmendorf 2009b).	receiving a tax credit, or $400 times the total number of employees in the firm. Estimated ten-year revenue is $27 billion (Elmendorf 2009a).	offering coverage who have at least one employee receiving a tax credit pay $750 per full-time employee. If employer does offer coverage, they must pay the lesser of $3,000 for each tax credit or $750 per employee. Employers offering coverage must offer vouchers for employees below 400 percent of the federal poverty line who buy on the exchange. Additional fees for long waiting periods for coverage. Estimated revenue: $39 billion (Elmendorf 2010a).	offering coverage who have at least one employee receiving a tax credit pay $2,000 times the number of full-time employees minus thirty. If employer does offer coverage, they must pay the lesser of $3,000 for each tax credit or $2,000 times the number of full-time employees minus thirty. Employers offering coverage must offer vouchers for employees below 400 percent FPL who buy on the exchange. Estimated revenue: $65 billion (Elmendorf 2010b).

Figure 4.1 Total Lobbying Expenditures by Sector, 1988 to 2010



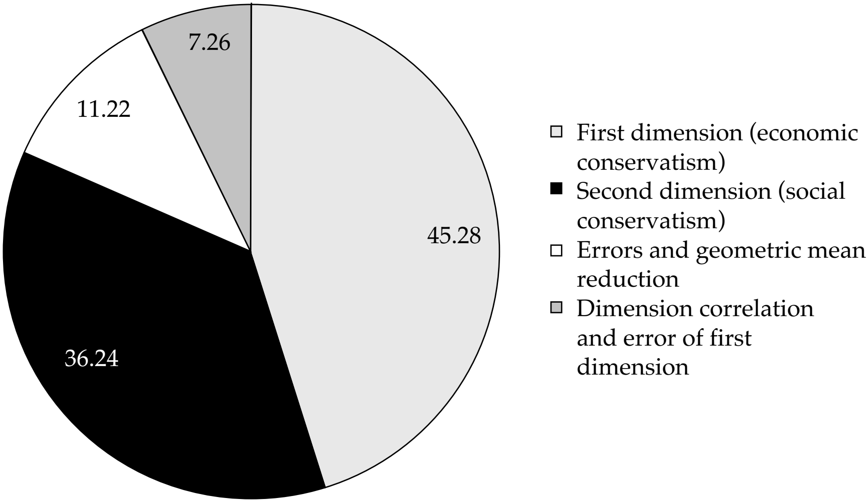
Source: Figure based on author's data.

Figure 4.2 Itinerary for a Murphy-Crowley Meeting of October 2009

MONDAY, OCTOBER 12	
12:00 – 1:30:	Possible lunch arranged by Scott Murphy and Joe Crowley
1:30 – 2:30:	Open for meeting
3:00 – 4:30:	NewDems to meet with Goldman Sachs executives (Confirmed: Crowley, Scott Murphy, Giffords; Possible: Moore, Schiff, McCarthy)
6:00 – 7:30:	NewDem Reception at home of Larry Coben, (Confirmed: Crowley, Murphy, Giffords, Schiff; Possible: Moore, McCarthy)
TUESDAY, OCTOBER 13	
9:00 – 10:00:	Open for meeting
10:30 – 12:00:	NewDems to meet with 35-50 CEOs of Marsh & McLennan Companies, 1166 6th Avenue, NY,NY (Confirmed: Murphy, Himes; Possible: Adler, Moore)
2:15 – 3:00:	NewDems to meet with JP Morgan Executives (Confirmed: Bean, Murphy, Himes, Crowley, Adler)
3:00 – 3:30:	Return to DC for Tuesday evening votes

Source: Author's adaptation of a Talking Points Memo document (TPM 2010).

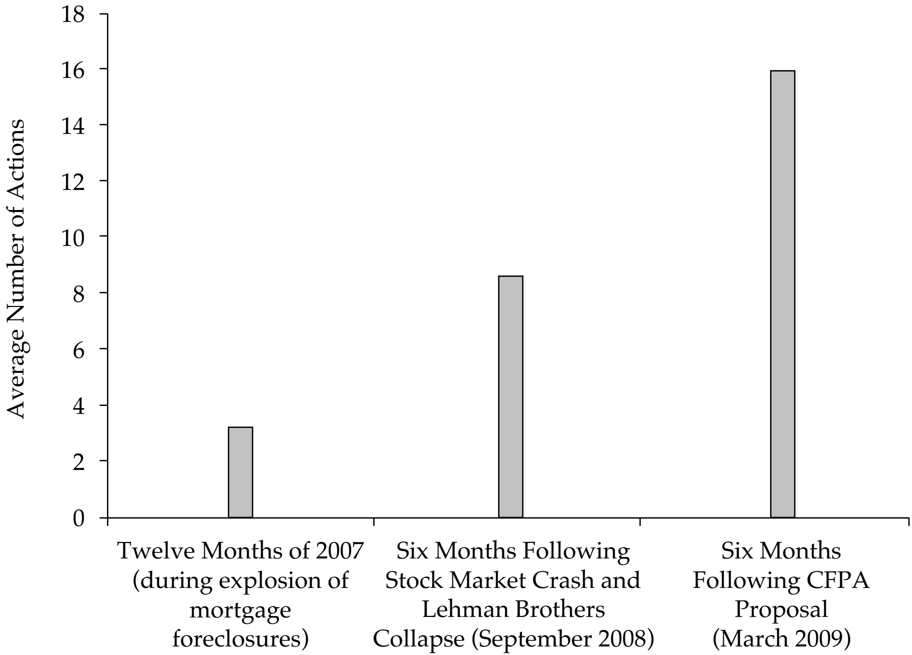
Figure 4.3 Role Played by Variables Other Than Economic Ideology in the Switch of December 2009



Source: Figure based on author's data.

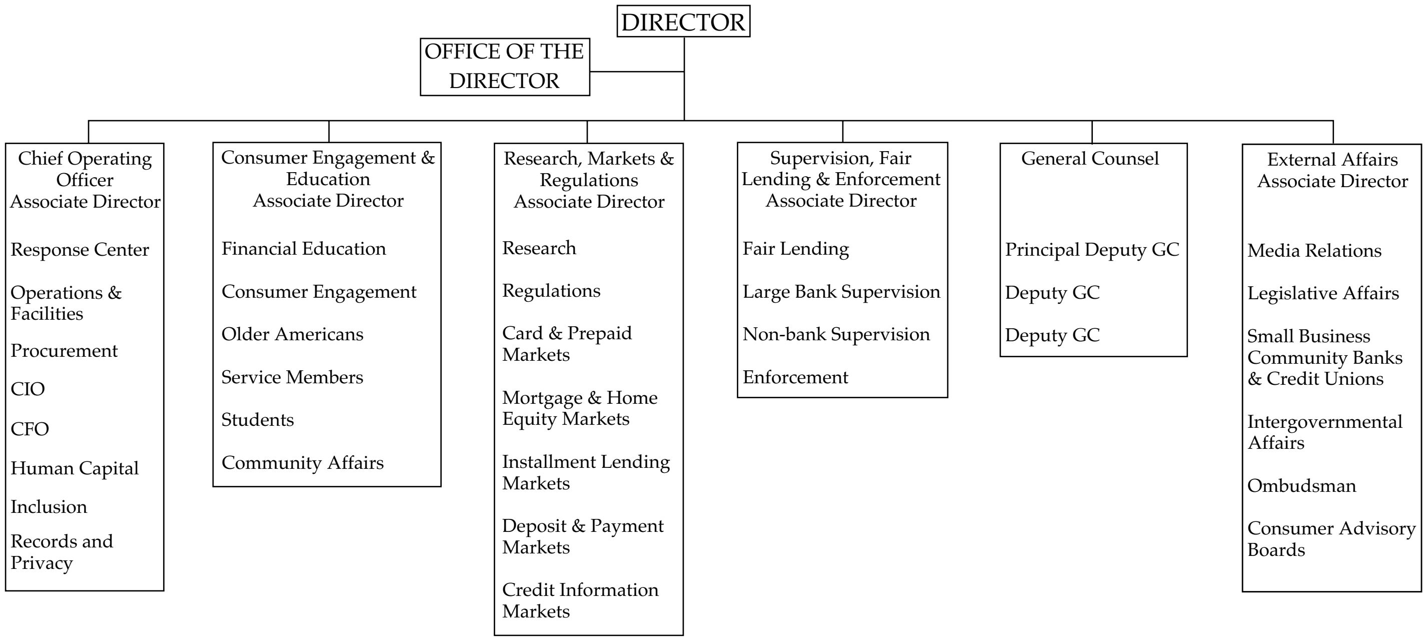
Note: Pie entries are percentage of explained variance contributed by variable. Total explained variance is pseudo-R-squared of .2657, or just above a quarter of variance explained. Total variance explained by first-dimension ideology score (economic conservatism) is .1203 or 12 percent.

Figure 4.4 Fed Announced Enforcement Actions, Monthly Average



Source: Figure based on author's data.

Figure 4.5 Planned Organization Chart of the Consumer Financial Protection Bureau, April 25, 2011



Source: From the Treasury Department's Consumer Finance Protection Bureau implementation team (http://www.consumerfinance.gov/the-bureau).

Table 4.1 Simplified Timeline of Major Provisions in Financial Reform, 2009 to 2010

Component of Financial Reform	Obama Administration Proposal (June 2009)	House Bill (December 2009)	Senate Bill (May 2010)	Final Act (July 2010)
Prudential regulation coordination	Financial Stability Oversight Council (FSOC)—oversees large, interconnected financial firms and banks		FSOC	FSOC—makes recommendations to Fed; with two-thirds vote, can force lenders into higher capitalization, or divest holdings for grave threat cases.
Leverage restrictions and capital requirements	Proposal for stronger capital and prudential standards for all firms; higher for "large, interconnected firms."	Moss proposal; 15 to 1 ratio of total capital to Tier 1 capital for all, higher requirements (lower ratio) for systemically central firms.	Susan Collins proposal of 25 to 1 capital ratio for banks with more than $250 billion in assets; different definition of regulatory and Tier 1 capital. (Treasury opposes.)	Delegates capital requirement setting to "appropriate Federal banking agencies" (Sec. 171). Systemic risk outlined; Tier 1 concept included but weakly defined. Keeps Collins amendment that prohibits bank holding companies from maintaining less capital than their small bank subsidiaries. Banks forced to drop trust-preferred securities (TruPS), with transition phase.

Restrictions on proprietary trading (Volcker rule)	Not in original June 2009 proposal; introduced in January 2010 by Obama.	No restrictions on proprietary trading or hedge funds.	Volcker rule adopted; regulators ban proprietary trading by insured depository institutions (Sec. 619).	Weakened Volcker rule (Maximum of 3 percent of Tier 1 capital for large firms. Bank capital can compose maximum 3 percent of any hedge fund invested in). Less discretion given to regulators.
Derivatives regulation	Call for comprehensive regulation.	Mandates trading on exchange for most derivatives (Peterson-Frank Amendment). Spin-off provision (Stupak) defeated.	Mandates trading on exchange for most derivatives. Lincoln proposal requiring CDS spin-off adopted for almost all derivatives and swaps.	Mandates trading on exchange for most derivatives. Lincoln spin-off proposal weakened, but spin-off required for commodity (agriculture and metal), energy and noninvestment grade CDS derivatives into nonbank entity (Sec. 721). Limitation on funding/bailing of swaps (Federal Reserve Act, Sec. 23A; Sec. 716). New swap product listing requirement at CFTC/SEC (Secs. 717–18).

(Table continues on p. 154.)

Table 4.1 *(Continued)*

Credit rating agencies (CRAs)	Calls on SEC to further regulate CRAs. Calls on regulators to rely less or no longer on CRAs in their institutional evaluations. Bans conflicted advising: CRAs can't market their consulting services to firms whose credit or debt they are rating.	Mandates annual SEC review and SEC rule-making for disclosure. Drops requirement that mutual funds limit their investments to top-rated assets. Adds legal expert liability for CRAs. Keeps conflicted advising ban.	SEC regulations from House bill, with Office of Credit Rating established in SEC. Franken amendment adopted to have unified government rating of credit agencies. LeMieux proposal adopted to divorce FDIC from reliance on CRA ratings.	SEC regulations from House bill preserved. Office of Credit Rating established in SEC. Franken amendment dropped. Statutes and federal agencies divorced from reliance on CRA credit ratings (Sec. 931).
Systemic risk—shut down	Calls for creation of financial institution shut-down plans.	Permits FDIC to liquidate risky firms through "orderly receivership." $150 billion liquidation fund established through fees on firms.	Liquidation through common agreement of Treasury, Fed, and FDIC. Defeated Sessions amendment to substitute bankruptcy for liquidation. Liquidation fund limited to $50 billion.	Liquidation provisions: Liquidation through common agreement of Treasury, Fed, and FDIC. No orderly liquidation fund from bank fees; monies instead from TARP residual (Title II, Sec. 201).
Consumer protection regulator	Independent agency, appointment by president.	Independent agency, appointment by president.	Partially independent bureau in Fed. Appointment by president. Budget from Fed transaction fees. Rule-making overseen by regulator council, not OIRA-OMB.[a]	Partially independent bureau in Fed. Appointment by president. Budget from Fed transaction fees. Rulemaking overseen by regulator council, not OIRA-OMB.[a]
Scope of consumer regulator	Retail financial products, insurance excluded and left to states.	Same as proposal.	Same as proposal.	Same scope as original, but auto dealers exempted from oversight.

Source: Author's compilation.

[a] OIRA-OMB: Office of Information and Regulatory Affairs in the Office of Management and Budget.

Table 4A.1 List of Switchers for the Murphy Amendment on Derivatives Regulation, December 2009

Name	State	District	Party	Name	State	District	Party
7. DAVIS	AL	7	100	118. LEWIS	GA	5	100
16. GIFFORDS	AZ	8	100	121. MARSHALL	GA	8	100
18. SNYDER	AR	2	100	125. BARROW	GA	12	100
21. THOMPSON	CA	1	100	126. SCOTT	GA	13	100
25. MATSUI	CA	5	100	129. MINNICK	ID	1	100
32. MCNERNEY	CA	11	100	131. RUSH	IL	1	100
39. CARDOZA	CA	18	100	133. LIPINSKI	IL	3	100
41. COSTA	CA	20	100	137. DAVIS	IL	7	100
58. HARMAN	CA	36	100	138. BEAN	IL	8	100
65. BACA	CA	43	100	144. FOSTER	IL	14	100
75. DAVIS	CA	53	100	151. DONNELLY	IN	2	100
77. POLIS	CO	2	100	161. BOSWELL	IA	3	100
78. SALAZAR	CO	3	100	166. MOORE	KS	3	100
79. MARKEY	CO	4	100	170. YARMUTH	KY	3	100
82. PERLMUTTER	CO	7	100	176. MELANCON	LA	3	100
86. HIMES	CT	4	100	182. MICHAUD	ME	2	100
87. MURPHY	CT	5	100	183. KRATOVIL	MD	1	100
90. BOYD	FL	2	100	184. RUPPERSBE	MD	2	100
91. BROWN	FL	3	100	187. HOYER	MD	5	100
105. MEEK	FL	17	100	189. CUMMINGS	MD	7	100
108. WASSERMA	FL	20	100	192. NEAL	MA	2	100
110. KLEIN	FL	22	100	207. SCHAUER	MI	7	100
112. KOSMAS	FL	24	100	209. PETERS	MI	9	100
115. BISHOP	GA	2	100	212. LEVIN	MI	12	100

	Name	State	District	Party
216.	WALZ	MN	1	100
220.	ELLISON	MN	5	100
224.	CHILDERS	MS	1	100
225.	THOMPSON	MS	2	100
230.	CARNAHAN	MO	3	100
241.	BERKLEY	NV	1	100
244.	SHEA-PORTER	NH	1	100
245.	HODES	NH	2	100
248.	ADLER	NJ	3	100
259.	HEINRICH	NM	1	100
261.	LUJAN	NM	3	100
265.	MCCARTHY	13	4	100
267.	MEEKS	NY	6	100
268.	CROWLEY	NY	7	100
271.	TOWNS	NY	10	100
274.	MCMAHON	NY	13	100
275.	MALONEY	NY	14	100
278.	ENGEL	NY	17	100
280.	HALL	NY	19	100
282.	MURPHY	NY	20	100
286.	OWENS	NY	23	100
287.	ARCURI	NY	24	100
288.	MAFFEI	NY	25	100
290.	HIGGINS	NY	27	100
293.	BUTTERFI	NC	1	100
294.	ETHERIDG	NC	2	100
300.	KISSELL	NC	8	100
303.	SHULER	NC	11	100
306.	POMEROY	ND	1	100
307.	DRIEHAUS	OH	1	100
312.	WILSON	OH	6	100
322.	BOCCIERI	OH	16	100
332.	BLUMENAU	OR	3	100
333.	DEFAZIO	OR	4	100
338.	ALTMIRE	PA	4	100
342.	MURPHY	PA	8	100
344.	CARNEY	PA	10	100
347.	SCHWARTZ	PA	13	100
351.	HOLDEN	PA	17	100
360.	SPRATT	RI	5	100
362.	HERSETH SAN	SD	1	100
367.	COOPER	TN	5	100
368.	GORDON	TN	6	100
370.	TANNER	TN	8	100
391.	GONZALEZ	TX	20	100
394.	RODRIGUEZ	TX	23	100
400.	GREEN	TX	29	100
405.	MATHESON	UT	2	100
409.	NYE	VA	2	100
418.	CONNOLLY	VA	11	100
419.	INSLEE	WA	1	100
420.	LARSEN	WA	2	100
421.	BAIRD	WA	3	100
424.	DICKS	WA	6	100
427.	SMITH	WA	9	100
428.	MOLLOHAN	WV	1	100
430.	RAHALL	WV	3	100
433.	KIND	WI	3	100
438.	KAGEN	WI	8	100

Source: Author's compilation.

Table 4A.2 Results from Logistic Regression of Murphy Switch, December 2009

Logistic regression	Number of obs	=	418
	LR chi2(5)	=	118.17
	Prob > chi2	=	0.0000
Log likelihood = –178.67693	Pseudo R2	=	0.2485

murphy_swi~h	Coef.	Std. Err.	z	P>|z|	[95% C.I.]	
dwnom1	–3.349613	.5622545	–5.96	0.000	–4.451611	–2.247614
dwnom2	2.201922	.4298067	5.12	0.000	1.359517	3.044328
errors	–.0459016	.0150088	–3.06	0.002	–.0753183	–.0164848
nchoices	.0023234	.0023616	0.98	0.325	–.0023053	.0069522
gmp	–18.98761	5.476191	–3.47	0.001	–29.72074	–8.254469
_cons	14.94996	5.131283	2.91	0.004	4.892825	25.00709

Marginal effects after logit

y = Pr(murphy_switch) (predict)

= .16455799

variable	dy/dx	Std. Err.	z	P>|z|	[95% C.I.]		X
dwnom1	–.4605002	.06073	–7.58	0.000	–.579529	–.341472	–.008639
dwnom2	.3027173	.05937	5.10	0.000	.186362	.419072	.009356
errors	–.0063105	.00214	–2.95	0.003	–.010501	–.00212	40.3995
nchoices	.0003194	.00033	0.98	0.327	–.000319	.000958	624.012
gmp	–2.610391	.78063	–3.34	0.001	–4.14039	–1.08039	.854222

Source: Author's compilation.

Table 5.1: Labor Law Reform, 1950 to 2010

Year: Administration	Reform	House	Senate	Reason
1949–1950: Truman	Repeal Taft-Hartley	Fail	Fail	Conservative coalition deny repeal
1965–1966: Johnson	Repeal Taft-Hartley	Pass	Fail	Senate filibuster
1977–1978: Carter	Labor Law Reform Act	Pass	Fail	Senate filibuster
1993–1994: Clinton	Striker replacement bill	Pass	Fail	Senate filibuster
2009–2010: Obama	Employee Free Choice Act	—	Fail	Senate filibuster

Source: Author's compilation.

APPENDIX

Table 7A.1 Summary of Immigration Reform Legislation (1965 to 1996)

Name of Act	Amendment to Immigration Act (Hart-Cellar Act)	Immigration Reform and Control Act (IRCA)	Immigration Act	Personal Responsibility and Work Opportunity Reconciliation Act	Illegal Immigration Reform and Immigrant Responsibility Act
Date	October 3, 1965	November 6, 1986	November 29, 1990	August 22, 1996	September 30, 1996
Status	Passed	Passed	Passed	Passed	Passed
Summary	• Eliminated national-origins quota system. • Created visa preferential categories according to immigrants' familial ties or special occupational skills. • Limited total immigration from Eastern Hemisphere (120,000) and Western Hemisphere (120,000). • Established requirement that entering immigrant workers will not affect the employment, wages, and working conditions of American workers.	• Authorized legalization of undocumented aliens living in the United States since January 1, 1982. • Established penalties for employers who knowingly employ unauthorized aliens. • Increased border enforcement. • Established new category for seasonal agricultural labor and provisions for legalization. • Extended registry date for adjustment to permanent resident status to January 1, 1972.	• Raised cap on total immigration to 700,000 from 1992 to 1994, and to an overall flexible cap of 675,000 from 1995 onwards. • Modified all reasons for exclusion and deportation, particularly those on political and ideological grounds. • Authorized attorney general to grant temporary protected status to undocumented aliens from countries with armed conflict and natural disasters.	• Restricted eligibility of legal immigrants for means-tested welfare programs. • Broadened restrictions on welfare for all aliens.	• Created measures of border control, work-site enforcement, and for the removal of deportable aliens. • Increased restrictions on welfare benefits for aliens. • Created requirements for educational institutions to collect information on foreign students' status and nationality for the INS.

Source: Author's summary of appendix in Waters and Ueda (2007).

Table 7A.2 Summary of Immigration Reform Legislation (2001 to 2008)

Name of Act	Patriot Act	Homeland Security Act November	Real ID Act	Border Protection, Antiterrorism, and Illegal Immigration Control Act	Comprehensive Immigration Reform Act (Hagel-Martinez Bill)	Secure Fence Act
Date	October 26, 2001	25, 2002	May 11, 2005	December 16, 2005	May 25, 2006	October 26, 2006
Status	Passed	Passed	Passed	Passage of bill only in House	Passage of bill only in Senate	Passed
Summary	• Increased personnel and improved monitoring technology at immigrant checkpoints. • Required attorney general and FBI to provide state and INS with access to specified criminal histories. • Broadened scope of aliens inadmissible or deportable for terrorism.	• Transferred functions of INS of the Department of Justice to the Department of Homeland Security (DHS). At the DHS, the Directorate of Border and Transportation Security and the U.S. Citizenship and Immigration services took on immigrant enforcement and immigration service functions, respectively.	• Established federal restrictions on state-issued driver's licenses and ID cards, and denied them to undocumented aliens. • Enhanced procedural requirements in asylum-granting procedures. • Granted Homeland Security additional authority to construct additional barriers and roads at border.	• Criminalized unlawful presence and the assistance of undocumented immigrants. • Increased penalties on employers hiring unauthorized immigrants and imposed requirement for the verification of employees' Social Security numbers. • Required state and local authorities' enforcement of federal immigration law. • Funding for an extended border fence.	• Introduced temporary worker program • Established provisions for earned legalization by undocumented aliens according to their length of stay. • Increased employment-based visas, and established nonagricultural temporary worker visas.	• Authorized construction of 700-mile border fence.

Source: Author's compilation based on data from Wroe (2008), Waters and Ueda (2007), and Library of Congress (2005).

Table 7A.3 Summary of Immigration Reform Legislation and Executive Actions (2009 to 2010)

Name of Act	Comprehensive Immigration Reform for America's Security and Prosperity Act of 2009 (CIR ASAP).	Real Enforcement with Practical Answers for Immigration Reform Plan.	Justice Department Lawsuit against State of Arizona to enjoin implementation of SB 1070 in District Court of Arizona.
Date	December 15, 2009	April 29, 2010	July 6, 2010
Status	In committee.	—	—
Summary	• Establishes a Southern Border Security Task Force and border relief grants for local police agencies. • Requires minimal conditions for immigration law enforcement and detention. • Establishes nonimmigrant status for undocumented immigrants with possibility of naturalization. • AgJobs Act.	• Establishes eligibility for legalization for undocumented immigrants in eight years if they learn English, do not commit a crime, and pay taxes. • Create biometric Social Security cards. • Increase federal funding for border security.	• Invalidates SB 1070 and prohibits its implementation because of its violation of Supremacy Clause of U.S. Constitution.

Source: Author's compilation based on data from Bacon (2010), U.S. Department of Justice (2010), Library of Congress (2009, 2010a, 2010b, 2010c, 2010d), Preston (2010e), and Herszenhorn (2010b).

Making emergency supplemental appropriations for border security for the fiscal year ending September 30, 2010, and for other purposes.	National Defense Authorization Act for Fiscal Year 2011 [pledge by Senator Reid to attach Development, Relief, and Education for Alien Minors (DREAM) Act]	Comprehensive Immigration Reform Act of 2010	Removal Clarification Act of 2010 [includes Development, Relief, and Education for Alien Minors (DREAM) Act of 2010]
August 13, 2010	September 21, 2010	September 29, 2010	December 18, 2010
Passed	Cloture not invoked in Senate	In committee	Passage of bill only in House
• Places $600 million in supplemental funding for enhanced law enforcement and border security (additional staffing, infrastructure and technology) along the Southwest border.	• DREAM Act: Authorizes the adjustment of the status of undocumented minors with degree of higher education or military service (two years) to conditional non-immigrant status, with possibility of permanent residence.	• Enhances border and internal immigration law enforcement Includes • AgJobs Act [legalizes undocumented farmworkers and reforms farmworker visas]. • DREAM Act. • Uniting American Families Act [recognition of permanent partners].	• DREAM Act: Authorizes the adjustment and subsequent extension of the status of undocumented minors with degree of higher education or military service (two years) to conditional non-immigrant status, with possibility of permanent residence.

Table 8A.1. Timeline of Energy and Climate-Related Activity

January 1, 2008–December 31, 2008	Energy is a key issue in the 2008 presidential campaign. Candidates Barack Obama and John McCain both vow to reduce U.S. reliance on foreign oil and fight global warming. Both support binding caps on greenhouse-gas emissions, advocate obtaining 25 percent of the nation's electricity from renewable sources by 2025, and endorse the expansion of nuclear power. Obama has a more aggressive plan for addressing global warming, however. He also advocates investing $150 billion over the next decade to foster the development of new technology and al-

ternative fuels. Whereas McCain positions himself as a strong proponent of domestic drilling, Obama initially supports reinstating the moratorium on new offshore oil and gas drilling—a position that softens as the campaign wears on. In early August 2008, he says that he would support offshore drilling as part of a broader, bipartisan energy package to reduce dependence on foreign oil. Similarly, he becomes more enthusiastic about coal over the course of the campaign, eventually talking about clean coal and describing coal as "a very important way for us to meet our long-term energy needs."

January 2009 — President Obama establishes addressing climate change and creating a clean-energy economy as a priority of his administration. He appoints Lisa Jackson as EPA administrator, Steven Chu as secretary of energy, John Holdren as director of the White House Office of Science and Technology Policy, and Ken Salazar as secretary of the interior. Carol Browner takes the position of climate czar.

A *Time*/CBS News poll demonstrates the impact of the economic downturn on public opinion: given a choice between stimulating the economy and protecting the environment, 58 percent choose the economy, and 33 percent choose protecting the environment. (Compare this with April 2007, when 36 percent said it was more important to stimulate the economy and 52 percent chose the environment.)

February 4, 2009 — The president orders the Department of Energy (DOE) to set new energy-efficiency standards for a broad range of household appliances.

February 12, 2009 — Congress passes the American Recovery and Reinvestment Act (ARRA, or the stimulus package) by votes of 246 to 283 in the House and 60 to 38 in the Senate. ARRA contains a total of $80 billion in energy-related spending. It gives the DOE some $40 billion, much of it for projects related to energy efficiency and conservation projects and the development of new technologies. Obama signs it on February 15.

February 24, 2009	Interior Secretary Salazar puts the brakes on plans initiated under the Bush administration to develop oil shale on federal land in the western United States.
February 26, 2009	The Obama administration releases its fiscal year 2010 budget, which is projected to raise about $80 billion per year, starting in 2012, from a cap-and-trade system for carbon emissions. It projects raising a total of $645 billion from the auction of emissions credits between 2012 and 2019. About $120 billion of that would be used to pay for low-carbon technologies; the rest—about $525 billion—would be returned to the "the people, especially vulnerable families, communities, and businesses, to help ease the transition to a clean energy economy."
March 2009	In early March, the House Energy and Commerce Committee's Energy and Environment Subcommittee begins holding hearings on comprehensive energy and climate-change legislation. In late March, the Obama administration finalizes an 8 percent hike in the corporate average fuel-economy (CAFE) standards for 2011 models, requiring a combined CAFE of 27.3 mpg (a 2 mpg increase over 2010 models).
March 24, 2009	The Environmental Protection Agency (EPA) sends its proposed endangerment finding to the Office of Management and Budget (OMB). This finding, which was initiated under but suppressed by the Bush administration, sets the stage for the EPA to regulate greenhouse gases (GHG) under the Clean Air Act.
March 31, 2009	Democratic leaders of the House Energy and Commerce Committee unveil a 648-page draft energy and climate-change bill (HR 2454, the American Clean Energy and Security Act, known as Waxman-Markey) that would establish a cap-and-trade program for curbing U.S. greenhouse-gas emissions 20 percent below 2005 levels by 2020 and 83 percent below 2005 levels by 2050. The bill also creates a renewable-energy standard that would reach 25

	percent by 2025. And it includes a host of other programs as well, such as new energy-efficiency programs and limits on the carbon content of motor fuels.
April 2, 2009	On a court-ordered deadline, the Obama administration issues its endangerment finding linking manmade greenhouse gases to threats to public health and welfare. (It will take public comments and release a final document in September.)
April 22, 2009	On Earth Day 2009, President Obama warns that unless Congress acts, the job of regulating GHG emissions will fall largely to the EPA, which is limited in its ability to consider costs.
Late April 2009	Top Obama officials testify at hearings concerning Waxman-Markey on behalf of greenhouse-gas curbs, while repeatedly sidestepping questions about particular policy mechanisms. Lisa Jackson testifies that according to an EPA analysis, Waxman-Markey will cost the average American household between $98 and $140 per year, provided that most of the money raised by government is returned to households.
May 4, 2009	Obama summons Democrats on the House Energy and Commerce Committee to the White House in an attempt to break the impasses on Waxman-Markey. He reinforces the urgency of acting in advance of the Copenhagen meeting in December, and lays out four principles: lawmakers must acknowledge the cost of the bill and make sure everyone gets something back; the legislation must be predictable for business; regional needs must be taken into account; and the legislation should cooperate with other countries. He encourages lawmakers to come to consensus but does not suggest that he will become more directly involved in the negotiations.
Mid-May 2009	The U.S. Chamber of Commerce sharpens its critique of Waxman-Markey, saying it would create a complicated, expensive, regulation-heavy system that would ignore the emissions of developing countries. At the same time, the Chamber clearly re-

	gards legislation as preferable to regulation by EPA under the Clean Air Act.
	The Energy and Commerce Committee begins its markup of Waxman-Markey with the introduction of a 900-plus-page manager's amendment that includes "technical changes" to the underlying bill—reflecting additional deals the chair has struck with anxious Democrats.
May 17, 2009	Obama introduces a set of sixteen standards to help ensure that new devices can send information to power suppliers, as part of a push to develop a smart electric-power grid. The DOE boosts the maximum awards available for smart-grid programs under the stimulus bill.
May 19, 2009	Obama unveils new national fuel-economy standards that set the first national greenhouse-gas emissions standards on cars and trucks. The administration orders car-makers to increase fuel standards for vehicles sold in the United States to 35.5 mpg by 2016, four years earlier than current federal law requires.
May 20, 2009	Representative Collin Peterson (D-MN), chair of the Agriculture Committee, demands that House leaders give him a role in shaping climate-change legislation or risk losing every Democratic vote on his panel when the bill hits the floor.
May 21, 2009	Just before Congress departs for its Memorial Day recess, the Energy and Commerce Committee passes Waxman-Markey by a vote of 33 to 25.
June 1, 2009	Congress returns from its break, and Speaker Pelosi takes the reins on climate change. She meets with Agriculture Committee Chair Collin Peterson and Ways and Means Committee Chair Charles Rangel (D-NY), and tells them their panels will be allowed to mark up Waxman-Markey. (The other six committees with jurisdiction either decide or are told they do not need to hold their own markups.) She gives Peterson and Rangel until June 19 to complete their work or risk losing jurisdiction over the bill.

June 4, 2009	The Senate begins its markup of an energy bill sponsored by Senate Energy and Natural Resources Committee Chair Jeff Bingaman (D-NM) that does not include measures to curb greenhouse-gas emissions.
Early to mid-June 2009	Throughout early June, Peterson and Waxman negotiate, with Peterson complaining that the distribution of allowances in the bill favors populous over rural states. Lobbying on the bill is intense: a study by the Center for Public Integrity finds that 770 companies and public-interest groups have registered to lobby on the issue of climate change this year. As Pelosi struggles to line up votes, White House officials become involved: Carol Browner sets up meetings with lawmakers, and Chief of Staff Rahm Emanuel lobbies freshman Democrats in a session at the White House. (The freshmen are particularly vulnerable, since many come from conservative districts.) Peterson declares his support for Waxman-Markey after changes are made in the allocation of allowances, and Waxman agrees that the Department of Agriculture (USDA), rather than the EPA, will oversee the provisions dealing with carbon offsets (which concern agriculture and forested lands).
June 25, 2009	There is a massive, last-minute push for votes the day before the scheduled Friday vote. Carol Browner woos Republican centrists. Obama makes a short speech in the Rose Garden in which he says, "Make no mistake. This is a jobs bill." The White House reinforces the Democratic message all day, with phone calls from Emanuel and Obama himself. Wavering members are grilled (not literally) by the president at the White House luau that night.
June 26, 2009	The House passes Waxman-Markey by a vote of 219 to 212, after John Boehner (R-OH) spends more than an hour reading through the 300-page Democratic amendment that was filed at 3:00 a.m., sixteen hours before the vote. As passed, the bill requires a 17 per-

	cent reduction in GHG emissions over 2005 levels by 2020 and an 83 percent reduction by 2050. The bill gives away 85 percent of the initial allowances, nearly 40 percent, to local distribution companies.
Late June 2009	Obama announces tougher energy-efficiency requirements for certain types of fluorescent and incandescent lighting. The new rule will take effect in 2012. Also in late June, Interior Secretary Salazar announces that his department will expedite solar energy projects on federal lands.
June 29, 2009	The Obama administration grants California a Clean Air Act waiver, allowing it to enforce its own GHG emissions standards for cars and trucks—and overturning a Bush administration decision to deny the waiver.
August 9, 2009	A group of thirty-two former senators, cabinet officials, and other U.S. leaders release a statement urging action on global warming and asking for a "clear, comprehensive, realistic, and broadly bipartisan plan to address our role in the climate change crisis."
Mid- to late August 2009	The American Coalition for Clean Coal Electricity sends workers to 264 cities to attend state fairs and Kiwanis meetings and set up tables at college campuses—all to provide positive public relations for coal. The American Petroleum Institute funds nineteen rallies across the country beginning in August and running through September, with the goal of stimulating phone calls, emails, and letters to lawmakers about climate legislation. The EPA sends a final rule to the OMB establishing a mandatory greenhouse-gas registry, as required under a 2007 spending bill signed by George W. Bush.
August 27, 2009	A *Washington Post*/CBS News poll suggests that there is still majority support among the public for changes to U.S. energy policy and for the way Obama is handling the issue. A majority (52 percent) also claim to support a cap-and-trade system, although support drops to 39 percent if it costs them

	$25 per month. Large majorities favor requiring energy conservation from businesses and consumers, and 52 percent favor building more nuclear plants (up about 6 percent since 2001).
September 15, 2009	The Obama administration rolls out details of its strategy to reduce GHG emissions from cars, and Lisa Jackson says the proposal paves the way for regulating emissions from stationary sources.
September 22, 2009	Climate SOS stages nonviolent civil disobedience office occupations and protests in San Francisco, Boston, and New York in support of legislation to address climate change.
September 28, 2009	PNM Resources, a New Mexico utility, leaves the U.S. Chamber of Commerce over its position on climate change. Several other major companies have already left over this issue, or withdrawn from the organization's board, and more utilities follow PNM's lead in October.
September 30, 2009	The EPA launches a formal reconsideration of a Bush-era memo, authored by former EPA administrator Stephen Johnson, detailing when the government should regulate greenhouse-gas emissions from industrial facilities. (The Johnson memo said that facilities should be required to obtain permits only for pollutants controlled under the Clean Air Act.)
October 1, 2009	Senators John Kerry (D-MA) and Barbara Boxer (D-CA) introduce a comprehensive energy and climate-change bill (S 1733), a companion to Waxman-Markey. Kerry-Boxer would cut the nation's GHG emissions by 20 percent from 2005 levels by 2020 and create a "soft collar" (a ceiling and a floor on the carbon price, achieved through the release of emissions held in reserve or through automatic price increases) that curbs price volatility in the carbon market. The measure contains language preventing the EPA from regulating greenhouse gases as criteria pollutants under the Clean Air Act; it does not specify how allowances will be distributed, to allow for negotiations. Supporters of climate-change leg-

islation rally outside the Capitol, and Obama says the release of the draft moves the country "one step closer to putting America in control of our energy future and making America more energy-independent." He adds, "My administration is deeply committed to passing a bill that creates new American jobs and clean-energy incentives that foster innovation."

October 5, 2009 — President Obama signs an executive order requiring each federal agency to measure its GHG emissions for the first time and set targets to reduce them by 2020. The order launches the GreenGov Challenge, an effort to generate ideas from the 1.8 million federal employees on reducing emissions, conserving energy and water, minimizing waste, and generally becoming more sustainable.

October 11, 2009 — A *New York Times* op-ed piece by Senators John Kerry and Lindsey Graham (R-SC) seems to open new avenues for a bipartisan compromise on energy and climate in the Senate. The senators link climate change and energy independence and emphasize their military service. They promise to take advantage of nuclear energy, clean coal, and offshore oil drilling. They conclude that legislation is preferable to EPA regulation: "Industry needs the certainty that comes with congressional action," they say. Observers believe the piece breathes new life into the Senate debate.

October 13, 2009 — The U.S. Chamber of Commerce launches a five-year, $100 million "campaign for free enterprise" in response to sweeping climate-change, health care, and labor legislation. The campaign will involve national advertising, political lobbying, and grassroots education efforts.

October 14, 2009 — CBO Director Douglas Elmendorf testifies before the Senate Energy and Natural Resources Committee that the development of new technologies and the growth of renewable energy will largely offset job losses in fossil fuel–based industries. He adds that a cap-and-trade system will impose some costs on the economy (on the order of 0.25 percent to 0.75

	percent of GDP in 2020 and 1 percent to 3.5 percent in 2050) and will affect regions differently.
Mid-October 2009	The Obama administration defends its efforts on behalf of energy and climate legislation in response to charges that the president is expending too little political capital on the issue. White House spokespeople note that administration officials have met with more than half the senators, made calls to 100 mayors in seventeen states, and held more than fifty energy-related events in twenty-four states. In addition, they say, the White House has reached out to "hundreds" of stakeholders and local lawmakers.
October 23, 2009	Obama asserts that a consensus is growing on Capitol Hill to pass comprehensive energy and global warming legislation, specifically mentioning the Kerry-Graham partnership.
October 26, 2009	Three days of Senate Environment and Public Works Committee hearings begin, after Senator Boxer releases a 923-page chairman's mark of the bill, complete with details on emission allocations that largely mirror Waxman-Markey. Along with the bill, Boxer releases an EPA analysis showing that it would cost the average U.S. household roughly $100 per year, about the same as the House bill. Boxer's bill incorporates provisions from Bingaman's energy-only bill, which he completed work on in the spring. Meanwhile, Maria Cantwell (D-WA) is working on legislation that would cap emissions but use a cap-and-dividend plan to curb carbon emissions rather than allow credits to be traded as a commodity.
Late October 2009	Obama travels around the country touting the job-creation promise of clean-energy projects. Meanwhile, a survey by the Pew Research Center for People and the Press shows a decline in the proportion of Americans who believe rising global temperatures are the result of human activity: 37 percent, down from 47 percent in 2008.
November 5, 2009	S 1733 passes the Senate Environment and Public Works Committee (11 to 1), with all seven commit-

	tee Republicans boycotting the vote, as well as the three days of hearings that preceded it. The lone dissenter is Max Baucus (D-MT). After the vote, however, action on climate change grinds to a halt, as the Senate focuses on health care legislation. Lobbying moves to the EPA, which is preparing GHG regulations under the Clean Air Act.
November 19, 2009	Thousands of emails are released without authorization from the University of East Anglia's Climatic Research Unit. Conservative bloggers immediately seize on these emails as evidence that climate scientists are colluding to distort scientific evidence and suppress dissent about climate change. Within days, the U.S. media are calling the episode Climategate.
November 24, 2009	A *Washington Post*/ABC News poll finds that although fewer Americans believe global warming is a serious problem, a majority (53 percent) support cap-and-trade legislation. The increase in skepticism is largely driven by a shift within the GOP.
Mid-December 2009	House Republicans announce plans mirroring a Senate effort, led by Lisa Murkowski (R-AK), to introduce a formal resolution under the Congressional Review Act disapproving the EPA's endangerment finding.
December 18, 2009	The UN Framework Convention on Climate Change meeting in Copenhagen produces no global targets for cutting greenhouse-gas emissions. It does yield a three-page document, according to which each country needs to list its current domestic pledges for emissions reductions and promise to allow monitoring of their progress.
Late January 2010	A coalition of companies and environmental groups (USCAP) lobbies for climate legislation, portraying it as a job-creation engine. A separate business coalition, We Can Lead, whose members include Exelon, Entergy, and Constellation Energy Group, launches a $1 million ad campaign urging Congress to pass energy and climate legislation in 2010.
January 28, 2010	Obama issues an executive order requiring the federal government to reduce its greenhouse-gas emis-

sions by 28 percent by 2020. The administration also submits its reduction targets to the UN Framework Convention on Climate Change, as required under the Copenhagen Accord. The administration pledges to cut GHG emissions by 17 percent from 2005 levels by 2020, consistent with the levels set in Waxman-Markey, as long as Congress passes legislation to do so.

February 1, 2010 — The Obama administration releases its fiscal year 2011 budget, a $3.8 trillion spending plan that, once again, banks on Congress passing a "comprehensive, market-based climate change policy" that would curb greenhouse-gas emissions 17 percent below 2005 levels by 2020 and more than 80 percent by mid-century. In recognition of events in Congress, this budget does not assume a 100 percent auction of emissions credits, but it does assume the bill will be budget neutral and that "proceeds from emissions allowances will be used to compensate vulnerable families, communities, and businesses." The budget also eliminates subsidies for fossil fuels and increases investment in clean-energy projects. It gives the EPA $21 million to implement a reporting rule for greenhouse-gas emissions, plus another $43 million in new funding for regulations to curb emissions under the Clean Air Act. DOE gets $54.5 million for carbon capture and sequestration technologies (for coal), and the State Department gets $1.4 billion to help developing nations install U.S.-built technologies and increase land-based sequestration efforts.

Obama's State of the Union emphasizes the importance of passing a comprehensive energy and climate-change bill. Obama acknowledges the possibility that the Senate might pass an energy bill without a carbon cap, but says that doing so would be a bad idea. He continues to raise the specter of EPA regulation, saying, "And so the question then is: Does it make sense for us to start pricing in the fact that this thing is really bad for the environment? And if we do, then can we do it in a way that doesn't

	involve some big bureaucracy in a control-and-command system, but just says, look, we're going to—there's going to be a price to pollution. And then everybody can adapt and decide which are the—which are the best energies."
February 2, 2010	The Pentagon releases a long-term strategy that for the first time recognizes climate change as a direct threat to U.S. national security, noting that it could accelerate instability or conflict.
Mid-February 2010	The White House releases its first economic report by the Council of Economic Advisors. It says that the president's energy and environmental initiatives are necessary to reboot the U.S. economy and avert dangerous changes in the Earth's climate. As Senators Kerry, Joseph Lieberman (I-CT), and Lindsey Graham (R-SC) flesh out the details of their energy-climate compromise, Senators Maria Cantwell and Susan Collins (R-ME) promote legislation that uses a cap-and-dividend mechanism to funnel 75 percent of the revenue raised back to consumers. The other 25 percent would go to renewable energy development. Although the Environment and Public Works Committee has been silent on cap-and-trade since November's partisan meltdown on S 1733, Senator Boxer is back in the game, holding a hearing on the public-health warnings on climate change. Polls continue to show that climate change is low on the public's list of priorities, and the conservative base is exercised about the issue—making it a political risk for Republicans and conservative-moderate Democrats. Meanwhile, Lisa Murkowski leads a charge by Republicans and conservative-moderate Democrats for a disapproval resolution under the Congressional Review Act. Environmentalists and faith-based activists launch radio ads on February 9 targeting some moderate Democrats—including Senators Evan Bayh (D-IN), Mark Pryor (D-AR), Mark Begich (D-AK), Claire McCaskill (D-MO), and others—who are considering supporting the resolution.

Hoping to draw out Climategate, Representatives James Sensenbrenner (R-WI) and Darrell Issa (R-CA) ask the National Science Foundation (NSF) to investigate the nearly $2.5 million in federal grants that have gone to Michael Mann, director of Penn State University's Earth System Science Center. Members of Congress also blast the SEC's position that publicly traded companies must disclose climate-related risks to shareholders—something it voted to require on January 27, 2010.

February 15, 2010	Touting nuclear energy as a key to dealing with climate change, Obama announces $8.3 billion in loan guarantees for Southern Company that will enable the utility to break ground on two nuclear power plants in Georgia.
February 21, 2010	Senator Jay Rockefeller (D-WV) and seven other Senate Democrats—many from coal states—send a letter to EPA administrator Lisa Jackson expressing concern about the impact of climate regulations. Rockefeller is considering proposing a suspension of EPA rule-making that would give the agency leeway to proceed if congressional action fails. Despite Jackson's reassurances that the EPA would phase in permitting requirements for industrial facilities, Senate Democrats are determined to move forward with their proposal, as is Murkowski, who has forty cosponsors by this point, three of them Democrats.
February 22, 2010	Lisa Jackson assures Congress that the EPA will phase in climate regulations for industrial sources gradually, focusing on fewer than 400 facilities in early 2011 and dealing with other large sources in the latter part of 2011. Furthermore, the EPA is considering "substantially" raising thresholds for its proposed "tailoring" rule from 100 to 250 tons of pollution per year to 25,000 tons of carbon-dioxide equivalent per year. The tailoring rule determines which facilities are regulated when.

Nevertheless, Lisa Murkowski plans to move forward with her bill; similarly, two top House Democrats—Collin Peterson and Ike Skelton (D-MO)—in-

	troduce a measure that would, like Murkowski's bill, use the Congressional Review Act to veto the EPA's endangerment finding. (The finding triggered a requirement to begin the regulation process by the end of March.) Everyone recognizes that such bills would face a presidential veto, but that doesn't deter Senator Rockefeller from introducing a bill to delay EPA's stationary source regulations for six to twelve months.
Early March 2010	The Kerry-Lieberman-Graham trio has assembled a short list of ideas they want to run by key blocs of Democratic and GOP senators. Each has meetings scheduled with key members of both parties. The draft nearly ready to be circulated seeks to reduce greenhouse-gas emissions around 17 percent from 2005 levels by 2020. But it does not rely on an economy-wide cap; instead, different sectors are to be governed by different mechanisms. The idea is to disable any coalition that could form to oppose the bill.
March 1, 2010	Five hundred and sixty-nine U.S. scientists send a letter to Congress urging lawmakers to oppose House and Senate resolutions that would veto the EPA's endangerment finding, which, they say, is based on solid science.
March 2, 2010	Lisa Jackson says that the EPA has revised its tailoring rule again, raising the threshold to 75,000 tons from 25,000 tons of carbon-dioxide equivalent. Sources emitting less than 75,000 tons will not need a permit until 2012.
March 4, 2010	The EPA sends its final reconsideration of the Johnson memo to OMB for review.
March 4, 2010	Four influential coal-state Democrats introduce companion bills in the House and Senate to block the EPA from implementing climate-related stationary source rules for two years. The measures draw little response from either powerful committee leaders or the White House.
March 9, 2010	Obama meets with fourteen key senators in a push to get stalled climate-change legislation moving

again. Moderate Democrats continue to promote an energy-only approach. Meanwhile, Kerry, Graham, and Lieberman meet with industry and trade association leaders. At this point, there are about forty-one yes or probably yes votes in the Senate, twenty-nine no votes, and thirty fence-sitters, including nineteen Democrats and eleven Republicans. There are about twenty coal-state senators in play; their demands include less aggressive emissions limits, allowances returned to consumers, the EPA's authority to regulate under the Clean Air Act stripped, and billions of dollars to promote carbon capture and storage. Some senators are particularly concerned about trade, and thirteen are preoccupied with oil and gas drilling.

March 10, 2010 — A Gallup poll shows a sharp reversal in public attitudes about global warming: the percentage of Americans who believe climate change has been exaggerated has climbed dramatically between 2008 and 2010, according to the poll. Nevertheless, the majority (53 percent) still believe that climate change is real and its effects becoming evident, a steep drop from the 65 percent who felt that way in 2008.

March 11, 2010 — More than 2,000 economists and climate scientists—including eight Nobel laureates, thirty-two NAS members, eleven MacArthur genius award winners, and three National Medal of Science recipients—deliver a letter to Capitol Hill highlighting the certainty that global warming is primarily due to human activities and the costs of waiting to deal with it.

At the same time, governors from eighteen U.S. states and two territories call on Congress to stop EPA regulations. A coalition of ninety-eight industry groups, mostly representing fossil fuel–related industries, send a separate letter urging senators to support Murkowski's resolution on the endangerment finding.

Mid-March 2010 — Republicans continue to hammer away at Climategate and IPCC errors. Representative Joe Barton is-

	sues a letter questioning General Motor Company's and Chrysler LLC's membership in USCAP, an industry-environmental partnership, given that they have received billions in taxpayer bailout money. In February, Barton successfully pushed AIG to drop out of USCAP for the same reason.
March 31, 2010	Obama announces that his administration will open up several regions of the United States to offshore oil drilling, part of his effort to show good faith in energy and climate negotiations.
April 20, 2010	An offshore oil rig owned by Deepwater Horizon and operated by BP explodes, rupturing a pipe and sending thousands of gallons of oil into the Gulf of Mexico. The spill goes on for months before the well is finally capped in late August.
April 22, 2010	On Earth Day, the scheduled release of the Kerry-Graham-Lieberman bill, Senator Graham pulls out of sponsoring the bill, citing Democrats' focus on immigration.
April 28, 2010	Secretary Salazar announces the Interior Department's approval of Cape Wind, which—if built—would be the nation's first offshore wind farm.
May 12, 2010	Kerry and Lieberman unveil their 987-page American Power Act calling for a 17 percent cut in carbon-dioxide emissions from 2005 levels by 2020, 42 percent by 2030, and 83 percent by 2050. The bill includes a host of industry-friendly provisions.
May 13, 2010	The EPA issues its final tailoring rule. Industry groups promptly sue.
June 15, 2010	President Obama makes his first Oval Office address. Speaking for eighteen minutes, mostly about the Deepwater Horizon–BP oil spill in the Gulf of Mexico, he calls for an overhaul of the nation's energy policy in order to embrace a "clean energy future." He makes no mention of a carbon price or cap.
July 2010	After considering numerous options, Majority Leader Reid declines to take energy and climate-change (or energy-only) legislation to the floor before the

	five-week August-September recess. The prospects for passing a bill before the November elections appear bleak.
Mid-August 2010	The EPA publishes its decision not to reconsider its endangerment finding (rejecting petitions to do so). The Chamber of Commerce and the Coalition for Responsible Regulation ask the Washington, D.C., Circuit Court of Appeals to review the agency's finding.
	The EPA releases two proposals for implementing GHG regulations for stationary sources under the tailoring rule. States are required to revise their implementation plans; if a state fails to meet federal requirements, the EPA will establish a plan for it.
Late August 2010	The American Petroleum Institute (API) launches a major lobbying campaign tying the oil and gas sector to job creation. Clean Energy Works holds CarnivOil events in twenty-five cities; its goal is to depict the oil industry as too powerful in American politics.
	The Natural Resources Defense Council (NRDC) runs ads attacking six moderate senators who do not support comprehensive energy and climate-change legislation.
September 1, 2010	The API kicks off another round of citizen rallies with events across Texas.
Late September 2010	The administration reveals that it is considering a fuel-economy standard of 62 mpg by 2025. It is also preparing the first mileage standards for heavy-duty vehicles that run on diesel fuel.
Early October 2010	Congress adjourns for the runup to the November elections.
Mid-November to December 2010	No energy or climate change proposals receive serious consideration during the lame-duck session of the 111th Congress. Jay Rockefeller abandons his effort to impose a two-year stay on EPA greenhouse-gas emission regulations.
January 2, 2011	EPA greenhouse-gas emission rules take effect for power plants and large industrial sources. Officials

in all fifty states must now require large sources to install BACT (best available control technology) for greenhouse gases as a condition of permitting. Only one state, Texas, declines to implement the new rule.

Table 8A.2 Energy and Climate-Change Legislation, 2003 to 2010

Year	Bill	Sponsors	Key Provisions	Outcome
2003	Climate Stewardship Act of 2003 (S 139)	*Sponsor:* Senator Joseph Lieberman (D-CT) *Cosponsors:* Senators John McCain (R-AZ), Daniel Akaka (D-HI), Maria Cantwell (D-WA), Richard Durbin (D-IL), Dianne Feinstein (D-CA), Frank Lautenberg (D-NJ), Patty Murray (D-WA), Bill Nelson (D-FL), Olympia Snowe (R-ME)	Summary: Proposes regulations to limit U.S. emissions of six greenhouse gases (GHG), including carbon dioxide, through a cap-and-trade system of tradable emission allowances and emissions reporting requirements. Would cap 2010 aggregate emissions from the commercial, industrial, transportation, and electric power sectors at the 2000 level. Also proposes a federal climate-change research program. Allocation of allowances: Each entity is given, without charge, a certain number of allowances. Entities can acquire additional allowances through trade or auction. The secretary of commerce determines the number of tradable allowances allocated to each sector, while the EPA determines the number of allowances allocated to each entity. Impact on energy-intensive industries (border adjustment mechanism-tariff): No explicit border adjustment. Carbon offsets: Entities would be allowed to fulfill 15 percent (during phase I), then 10 percent (during phase II) of allowance	Rejected on October 30, 2003, by a vote of 43 to 55

			requirements through various mechanisms, including carbon sequestration programs like agricultural and conservation practices and reforestation. Carbon volatility mechanism: Carbon prices to be determined by the market. Regulatory jurisdiction: EPA administrator would maintain a National Greenhouse Gas Database, and the Climate Change Credit Corporation would be established to manage tradable allowances.	
2005	Climate Stewardship and Innovation Act of 2005 (S 1151)	*Sponsor:* Senator John McCain (R-AZ) *Cosponsors:* Senators Joseph Lieberman (D-CT), Barack Obama (D-IL), Olympia Snowe (R-ME)	Summary: Slightly revised version of the Climate Stewardship Act of 2003. New proposals include renaming the Department of Commerce's Technology Administration the Innovation Administration and providing incentives for the development of various technologies, including nuclear.	Rejected on June 22, 2005, by a vote of 38 to 60

(Table continues on p. 370.)

Table 8A.2 *(Continued)*

Year	Bill	Sponsors	Key Provisions	Outcome
2008	Lieberman-Warner Climate Security Act of 2008 (S 3036)	*Sponsor*:* Senator Barbara Boxer (D-CA) *Original version introduced in 2007 by sponsor Senator Joseph Lieberman (I-CT) and cosponsors John Warner (R-VA), Benjamin Cardin (D-MD), Robert Casey (D-PA), Norm Coleman (R-MN), Susan Collins (R-ME), Elisabeth Dole (R-NC), Thomas Harkin (D-IA), Amy Klobuchar (D-MN), Bill Nelson (D-FL), Charles Schumer (D-NY), Ron Wyden (D-OR)	Summary: Proposes regulations to limit U.S. GHG emissions through a cap-and-trade system. Covers entities using, producing, or importing a specified amount of fossil fuel. Would reduce GHG emissions from specified sectors by approximately 71 percent below 2005 levels by 2050. Allocation of allowances: Entities would be given a specified amount of allowances free of charge and could acquire additional allowances through trade or auction. Both the amount of total available allowances (the cap) and the percentage of total available allowances allotted free decrease annually. Impact on carbon-intensive industries: Provides a border adjustment mechanism requiring that importers of primary goods from countries without GHG reduction programs of "comparable stringency" purchase international reserve allowances. Smaller and less-developed nations are exempt, and proceeds are dedicated to climate-change mitigation in low-income communities overseas.	Dropped in June 2008 after failed cloture vote

			Carbon offsets: Entities are permitted to satisfy up to 15 percent of the total allowance submission requirement through specified domestic and international carbon offset mechanisms, including agricultural and rangeland sequestration and management practices, land-use change and forestry activities, and manure management and disposal. Carbon volatility mechanism: Prices are to be determined by the market. Regulatory jurisdiction: The EPA would manage the national cap-and-trade system. Offsets from the Northeast's Regional Greenhouse Gas Initiative can be exchanged at a discount rate into the national system.	
2009	American Clean Energy and Security Act of 2009 (HR 2454)	*Sponsor:* Representative Henry Waxman (D-CA) *Cosponsor:* Representative Edward Markey (D-MA)	Summary: Establishes a GHG cap-and-trade system designed to reduce emissions from specified sources to 83 percent below 2005 levels by 2050. Also mandates improving energy productivity and creating a combined energy-efficiency and renewable-electricity standard requiring electricity suppliers to meet 20 percent of their demand through renewable energy and conservation by	Passed as amended on June 26, 2009, by a vote of 219 to 212

(Table continues on p. 372.)

Table 8A.2 *(Continued)*

Year	Bill	Sponsors	Key Provisions	Outcome
			2020. Supports and encourages various research and development initiatives, including loan guarantees for nuclear energy. Allocation of allowances: Entities are given a specified amount of allowances free of charge and can acquire additional allowances through trade or auction. Both the cap and the percentage of total available allowances allotted free decrease annually. Impact on carbon-intensive industries: The president has the option of imposing a broader adjustment before June 30, 2017. Carbon offsets: Entities can achieve compliance through approved offsets generally related to agriculture and forestry. Offsets may be domestic or international (generally 50 percent of total offsets) and must be limited to a collective 2 billion tons annually. The EPA administrator must establish regulations for an offset program, including a registry. Carbon volatility mechanism: Sets an initial price floor of $10 per ton of carbon and creates a strategic allowance reserve to be auctioned when the average carbon price exceeds 60 percent of the historical three-year average.	

			Regulatory jurisdiction: Emission allowances issued before December 31, 2011, by the State of California, the Regional Greenhouse Gas Initiative, or the Western Climate Initiative can be exchanged for federal allowances. Existing state or regional cap-and-trade programs would be suspended from 2012 to 2017.	
2009	Clean Energy Jobs and American Power Act (S 1733)	*Sponsor:* Senator John Kerry (D-MA) *Cosponsors:* Senators Barbara Boxer (D-CA), Benjamin Cardin (D-MD), Paul Kirk (D-MA)	Summary: Establishes a GHG cap-and-trade system designed to reduce emissions from specified sources to 20 percent below 2005 levels by 2020 and 83 percent by 2050. Also supports various research and development initiatives, including provisions to promote nuclear energy, natural gas, and carbon capture and storage. Allocation of allowances: Entities are given a specified amount of allowances free of charge and can acquire additional allowances through trade or auction. Both the cap and the percentage of total available allowances allotted free decrease annually. Impact on carbon-intensive industries: There is an International Trade placeholder where a border measure can be inserted.	Abandoned in favor of new proposal

(Table continues on p. 374.)

Table 8A.2 *(Continued)*

Year	Bill	Sponsors	Key Provisions	Outcome
			Carbon offsets: Entities can achieve compliance through approved offsets generally related to agriculture and forestry. Offsets may be domestic or international (limited to 25 percent of total offsets) and must be limited to 2 billion tons annually. The EPA administrator must establish regulations for an offset program, including a registry.	
			Carbon volatility mechanism: The bill sets an initial price floor of $11 per ton of carbon and creates a strategic allowance reserve to be auctioned when the average carbon reaches $28 per ton in 2012, increasing thereafter.	
			Regulatory jurisdiction: Emission allowances issued before December 31, 2011, by the State of California, the Regional Greenhouse Gas Initiative, or the Western Climate Initiative can be exchanged for federal allowances. Existing state or regional cap-and-trade programs are suspended from 2012 to 2017.	

2009	Carbon Limits and Energy for America's Renewal (CLEAR) Act (S 2877)	*Sponsor:* Senator Maria Cantwell (D-WA) *Cosponsor:* Senator Susan Collins (R-ME)	Summary: Establishes a cap-and-refund carbon limitation program to reduce emissions from specified sources to 20 percent below 2005 levels by 2020 and 83 percent by 2050. Also provides direct funding for programs that reduce other GHG emissions. Allocation of allowances: All carbon shares would be sold in monthly auctions run by the secretary of the Treasury and open only to first seller entities "in the business of producing or importing fossil carbon or production process carbon." Roughly one-quarter of carbon share auction proceeds would go toward the Clean Energy Reinvestment Fund. The remaining proceeds would be given back to U.S. residents in tax-free energy security dividends. Impact on carbon-intensive industries: Specified imports would be charged a fee reflecting the intrinsic carbon share value of the product. Carbon offsets: No offsets can be used to meet carbon caps.	No vote in 111th Congress

(Table continues on p. 376.)

Table 8A.2 *(Continued)*

Year	Bill	Sponsors	Key Provisions	Outcome
			Carbon volatility mechanism: Initially, a price collar would be set between $7 and $21 per ton and would increase over time. A safety valve for carbon share demand would also be established. Regulatory jurisdiction: Would protect voluntary state and regional renewable energy and carbon reduction credits, but impact on existing regional cap-and-trade programs is unclear.	
2010	American Power Act (discussion draft)	Sponsors: Senators John Kerry (D-MA) and Joseph Lieberman (I-CT)	Summary: Establishes a carbon cap-and-trade system to reduce emissions from specified sources to 17 percent below 2005 levels by 2020 and 83 percent by 2050. At least two-thirds of revenues would be directed to consumers through rebates and energy bill discounts. Supports domestic energy production, including offshore oil and gas drilling and the expansion of nuclear and clean-coal projects. Allocation of allowances: Initially, approximately 75 percent of permits would be allocated free of charge; all permits auctioned by 2035. A cap on utilities would be instituted in 2012, and a cap on manufacturing would take effect in 2016.	No vote in 111th Congress

	Impact on carbon-intensive industries: Establishes a carbon tariff on specified imports. Carbon offsets: Entities can meet up to 15 percent of compliance obligation through approved domestic or international projects (generally limited to 25 percent of total offsets). Establishes a multi billion-dollar domestic carbon offset program to be managed by the Department of Agriculture. Carbon volatility mechanism: Initially, a price collar would be set between \$7 and \$21 per ton of carbon, increasing over time. A strategic reserve would also be established. Regulatory jurisdiction: Prohibits state and regional GHG cap-and-trade programs.

Source: Author's compilation based on information from THOMAS (Library of Congress, various years), GovTrack.us (2003, 2009), Pew Center on Global Climate Change (2003, 2005, 2008, 2009a, 2009b, 2009c, 2010), Energy Information Administration (2003b), U.S. Senate (2005), Kerry (2010), and Tutwiler (2010).