

# Frequently Asked Questions: The Healthy Climate and Family Security Act of 2014

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- **What are the bill's main goals and objectives?**

By putting a steadily tightening cap on U.S. global warming pollution, this bill will reduce carbon emissions 20% below 2005 levels by 2020; 40% lower by 2030 and 80% lower by 2050. It will put money into the pockets of every U.S. resident with a Social Security number via quarterly rebates. It is projected that the median family of four will receive a NET benefit of about \$260 per year<sup>1</sup> at the beginning of the program and that amount will increase steadily in following years. The legislation will drive the transition from a fossil fuel-based economy to one based on clean energy sources by steadily tightening the cap -- year after year -- on carbon-based fuels.

- **Where does the money for U.S. residents come from?**

It is raised by requiring companies that import or mine fossil fuels -- coal, oil and natural gas -- to buy a permit for every ton of carbon dioxide, or CO<sub>2</sub>, those fuels would emit once introduced into the U.S. economy. These companies, approximately 2,500 of them,<sup>2</sup> will buy these permits at auctions organized by the U.S. Department of Treasury. It is projected that, over the first 10 years of this program, more than half a trillion dollars will be raised.<sup>3</sup>

- **How often will U.S. residents receive their payment?**

Every three months.

- **Can the carbon reduction targets be made stronger?**

Yes. If subsequent science-based evidence shows greater reductions are needed, the bill states that carbon reduction targets and schedules can "be revised [by Congress] in order to avert catastrophic climate impacts."

- **What role do big banks and Wall Street traders play in this plan?**

They are explicitly prevented from buying or selling the carbon shares/emissions permits.

- **Is trading of carbon shares allowed?**

Yes, but only among the 2,500 or so fossil fuel companies that are each required to buy shares at auction.

- **Does the bill allow carbon "offsets" – like tree-planting credits – as an alternative to obtaining actual carbon shares at auction?**

No. Offsets are not permitted.

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<sup>1</sup> Based on research by Professor James K. Boyce of the Political Economy Research Institute at the University of Massachusetts, Amherst. Dr. Boyce assessed the net impact of the bill (the dividend payment minus increased cost of fossil fuels) for a median U.S. family of four, based on a \$10/ton price on carbon.

<sup>2</sup> U.S. Congressional Research Service memorandum. "[Number of entities/companies potentially subject to a carbon price proposal](#)." 25 July 2014.

<sup>3</sup> Based on the 2012 U.S. Congressional Research Service report, "[Carbon Tax: Deficit Reduction and Other Considerations](#)," which found that a \$20/ton price on carbon would yield, over a 10 year period, more than a trillion dollars in revenue. A \$10/ton starting price on carbon increased at the same rate over ten years would yield more than \$500 billion.

- **How many pages is the Healthy Climate and Family Security Act?**

28 pages (the House-passed “cap and trade” bill of 2009 was 1,400 pages).

- **Is there a penalty for companies that fail to purchase sufficient carbon pollution permits to cover their actual pollution impact?**

Yes. The penalty is three times the value of the required permits.

- **Does the bill protect carbon energy-intensive U.S. companies, like steel, cement, glass and paper companies, from competition from companies based in other countries that don’t have a similar carbon cap program?**

Yes. At the point of entry, the bill provides for a fee to be imposed on carbon-intensive import goods, making them comparable in price to U.S. goods under the domestic cap. It also provides for financial assistance to U.S. exporters of carbon-intensive goods to countries without a similar carbon cap program.

- **How can I get involved in the effort to advance this bill?**

There are many groups and individuals around the country who are actively supporting the Healthy Climate and Family Security Act. Please consider joining them by having your group sign-on in support – email Ted Glick, National Campaign Coordinator at the Chesapeake Climate Action Network, at [ted@chesapeakeclimate.org](mailto:ted@chesapeakeclimate.org) for more information. You can sign the petition urging your representatives in Congress to support this bill at [www.ClimateAndProsperity.org](http://www.ClimateAndProsperity.org). Go to this link to learn more and share the website with people you know via email, Facebook, Twitter or in other ways to spread the word.

***Learn more and take action at [www.ClimateAndProsperity.org](http://www.ClimateAndProsperity.org)***

**Contact:** Ted Glick, National Campaign Coordinator at the Chesapeake Climate Action Network at [ted@chesapeakeclimate.org](mailto:ted@chesapeakeclimate.org) or 240-396-2155.