



September 15, 2019

The Honorable Frank Pallone  
Chairman  
Energy and Commerce Committee  
United States House of Representatives  
2107 Rayburn House Office Building  
Washington D.C., 20515

The Honorable Paul Tonko  
Chairman  
Environment and Climate Change  
Subcommittee  
United States House of Representatives  
2369 Rayburn House Office Building  
Washington D.C., 20515

The Honorable Bobby L. Rush  
Chairman  
Energy Subcommittee  
United States House of Representatives  
2188 Rayburn House Office Building  
Washington D.C., 20515

The Honorable Greg Walden  
Ranking Member  
Energy and Commerce Committee  
United States House of Representatives  
2185 Rayburn House Office Building  
Washington D.C., 20515

The Honorable John Shimkus  
Ranking Member  
Environment and Climate Change  
Subcommittee  
United States House of Representatives  
2217 Rayburn House Office Building  
Washington, D.C., 20515

The Honorable Fred Upton  
Ranking Member  
Energy Subcommittee  
United States House of Representatives  
2183 Rayburn House Office Building  
Washington, DC 20515-2206

**Robin Vos**  
Assembly Speaker  
Wisconsin  
President, NCSL

**Martha R. Wigton**  
Director  
House Budget & Research  
Office  
Georgia  
Staff Chair, NCSL

**Tim Storey**  
Executive Director

**RE: House Energy and Commerce Request for Information–Comprehensive Climate Legislation**

Dear Chairman Pallone, Chairman Tonko, Chairman Rush, Ranking Member Walden, Ranking Member Shimkus, and Ranking Member Upton:

On behalf of the National Conference of State Legislatures, the bipartisan organization representing the legislatures of our nation’s states, commonwealths and territories, we thank you for the opportunity to provide input as the House Energy and Commerce Committee begins its efforts to develop comprehensive climate legislation, while making sure all stakeholders are heard.

Any move to develop comprehensive climate legislation at the federal level must not preempt traditional state authority in this arena, must be flexible, and must be cautious of adopting a

“one-size fits all” approach. Should comprehensive climate legislation be developed, it must be done with extensive consultation with state elected officials and their national representative organizations.

Flexibility in federal action and maintaining existing state authorities are key. Any federal legislation must allow for a range of complementary strategies and maintain a strong role for state, local and tribal governments. States must be provided the authority and maximum levels of flexibility to work within an overall framework and ensure achievement of climate change goals in the most effective, timely and efficient manner. They should also be afforded the abilities to form regional cooperatives and to implement innovative policies that advance any federal efforts to reduce the effects of climate change.

Equally as important, is the need to ensure that state and local governments not be preempted from enacting policy options that differ from federal choices or from enacting stricter or stronger measures within their jurisdiction. State legislative authority should be preserved in any federal climate change legislation and the active role played by state legislatures in both fiscal and substantive aspects of policy making should be affirmed. In preserving state authority and flexibility, the federal government should also avoid further cost-shifts to states, and instead develop a system that provides block grant funding to states to use in a manner in which they deem appropriate for their state, and consistent with the funds intended purpose.

It’s vital that federal legislation to reduce greenhouse gas (GHG) emissions be designed to balance competing criteria such as equity, economic efficiency and ease of administration while also taking into account the implications of actions, or inactions, on economic development, energy security and vulnerable populations.

It is NCSL’s policy that the design components of federal legislation must consider the following:

- Any national system must include goals—short, medium, and long term—as well as a rigorous oversight program that will provide for ongoing study and analysis of the system;
- The oversight of any new federal program should include provisions for transparent reporting and accountability and incorporate third-party verification to ensure reported outcomes are verifiable;
- As states should be allowed to determine the means of obtaining such goals, the federal government should adopt a system of performance audits and objectively quantifiable benchmarks that allow the federal government to certify state performance results in meeting the set minimum standards;
- Any national system should address uncertainties that are hampering investment in generation, transmission, and distribution and enhance the likelihood that appropriate technologies will be developed in order to achieve desired reductions in GHG emissions in the most economical way possible;
- Any national program must also address adaptation issues; and
- Should a national program include the auctioning of allowances the allocation of emissions allowances at no cost can serve as an appropriate transition measure

necessary to ensure continued reliability, minimize economic dislocation resulting from the carbon intensity of the existing infrastructure, and allow for development and deployment of needed new technologies and measures to reduce emissions. Additionally, the allocation of a GHG reduction program to states under a federal program should include language requiring decisions related to such allowances subject to state legislative approval.

Additionally, if the federal government is to act to reduce GHG emissions, funding must be authorized and appropriated to spur expanded research and development in addition to promoting research and development transfer agreements with other nations. Legislation should not limit the diversity of technologies supported to reach reduction targets as technological advancements cannot be predicted, and state and regional differences must be accounted for to ensure enough flexibility in achieving prescribed national goals.

Further, cost-benefit analysis should be performed as part of any environmental decision making. Sound public policy decision making demands that benefits should be proportionate to costs, after factoring in the totality of the circumstances. However, cost-benefit analysis should not be the only determinative factor in any environmental decision-making process. Rather, such an analysis should be one of the many tools that inform decision makers in formulating sound public policy. In the face of uncertainty in devising analytical methods, any default assumptions that are employed should favor enhanced environmental protection.

NCSL looks forward to working with the committee as they develop national, comprehensive, climate legislation and encourages frequent, timely and meaningful collaboration with state legislatures. Most, if not all these statements can be found in NCSL's Climate Change Resolution and our Environmental Federalism Directive, which are attached but if you have any questions, please do not hesitate to contact NCSL staff Kristen Hildreth (202-624-3597 or [kristen.hildreth@ncsl.org](mailto:kristen.hildreth@ncsl.org)) or Ben Husch (202-624-7779 or [ben.husch@ncsl.org](mailto:ben.husch@ncsl.org)).

Sincerely,



Representative Stephen Handy  
NCSL Natural Resources and Infrastructure  
Committee Co-Chair  
Utah House of Representatives



Representative Andrew McLean  
NCSL Natural Resources and Infrastructure  
Committee Co-Chair  
Maine House of Representatives