

107TH CONGRESS
1ST SESSION

S. 769

To establish a carbon sequestration program and an implementing panel within the Department of Commerce to enhance international conservation, to promote the role of carbon sequestration as a means of slowing the build-up of greenhouse gases in the atmosphere, and to reward and encourage voluntary, pro-active environmental efforts on the issue of global climate change.

IN THE SENATE OF THE UNITED STATES

APRIL 24, 2001

Mr. BROWNBACK (for himself, Mr. REID, Mr. LUGAR, and Mr. DEWINE) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To establish a carbon sequestration program and an implementing panel within the Department of Commerce to enhance international conservation, to promote the role of carbon sequestration as a means of slowing the build-up of greenhouse gases in the atmosphere, and to reward and encourage voluntary, pro-active environmental efforts on the issue of global climate change.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “International Carbon
3 Conservation Act”.

4 **SEC. 2. CARBON SEQUESTRATION PROGRAM.**

5 (a) CARBON SEQUESTRATION PROGRAM.—Within
6 180 days after the date of the enactment of this Act, the
7 implementing panel shall establish a carbon sequestration
8 program to permit project sponsors to make carbon se-
9 questration project proposals to the implementing panel.

10 (b) IMPLEMENTING PANEL.—There is established
11 within the National Institute of Standards and Technology
12 of the Department of Commerce an implementing panel
13 consisting of—

14 (1) the Director of the National Institute of
15 Standards and Technology,

16 (2) the Secretary of Agriculture,

17 (3) the Secretary of State,

18 (4) the Secretary of Energy,

19 (5) the Chief of the Forest Service, and

20 (6) representatives of nongovernmental organi-
21 zations who have an expertise and experience in car-
22 bon sequestration practices, appointed by the Sec-
23 retary of Agriculture.

24 The Chief of the Forest Service shall act as chairperson
25 of the implementing panel.

1 (c) CARBON SEQUESTRATION PROJECT.—For pur-
2 poses of this section—

3 (1) IN GENERAL.—The term “carbon sequestra-
4 tion project” means a project—

5 (A) which is located outside the United
6 States,

7 (B) the duration of which is not less than
8 30 years,

9 (C) which is designed to increase the se-
10 questration of carbon, and

11 (D) which is accepted by the implementing
12 panel under the carbon sequestration program.

13 (2) ACCEPTANCE OF PROJECT PROPOSALS.—

14 (A) IN GENERAL.—Under the carbon se-
15 questration program, the implementing panel
16 shall accept a proposal for a carbon sequestra-
17 tion project from a project sponsor only if—

18 (i) the proposal includes a needs as-
19 sessment described in subparagraph (B),

20 (ii) the proposal identifies the benefits
21 of carbon sequestration practices of the
22 sponsored project under criteria developed
23 to evaluate such benefits under subsection
24 (d) and under guidelines instituted to
25 quantify such benefits under subsection (e)

1 and includes an agreement by the sponsor
2 to carry out such practices as described in
3 subparagraph (C), and

4 (iii) the proposal includes an agree-
5 ment to provide verification of compliance
6 with an approved project as described in
7 subparagraph (D) under standards estab-
8 lished under subsection (f).

9 (B) NEEDS ASSESSMENT.—A needs assess-
10 ment described in this subparagraph is an as-
11 sessment of the need for the carbon sequestra-
12 tion project described in a proposal and the
13 ability of the project sponsor to carry out the
14 carbon sequestration practices related to such
15 project. The assessment shall be developed by
16 the project sponsor, in cooperation with the
17 Agency for International Development, non-
18 governmental organizations, and independent
19 third-party verifiers.

20 (C) CARBON SEQUESTRATION PRAC-
21 TICES.—Under a carbon sequestration project
22 proposal, the project sponsor shall agree to con-
23 tract with other entities, including organizations
24 based in the country in which the sponsored
25 carbon sequestration project is located, to carry

1 out carbon sequestration practices proposed by
2 the project sponsor which (as determined by the
3 implementing panel)—

4 (i) provide for additional carbon se-
5 questration beyond that which would be
6 provided in the absence of such project,
7 and

8 (ii) contribute to a positive reduction
9 of greenhouse gases in the atmosphere
10 through carbon sequestration over at least
11 a 30-year period.

12 (D) VERIFICATION OF COMPLIANCE WITH
13 APPROVED CARBON SEQUESTRATION
14 PROJECT.—Under a carbon sequestration
15 project proposal, the project sponsor shall agree
16 to provide the implementing panel with
17 verification through a third party that such
18 project is sequestering carbon in accordance
19 with the proposal approved by the implementing
20 panel, including an annual audit of the project,
21 an actual verification of the practices at the
22 project site every 5 years, and such random in-
23 spections as are necessary.

24 (d) CRITERIA FOR EVALUATING BENEFITS OF CAR-
25 BON SEQUESTRATION PRACTICES.—

1 (1) IN GENERAL.—Under the carbon sequestra-
2 tion program the Chief of the Forest Service, in con-
3 sultation with other members of the implementing
4 panel, shall develop criteria for prioritizing, deter-
5 mining the acceptability of, and evaluating, the ben-
6 efits of the carbon sequestration practices proposed
7 in projects for the purpose of determining the ac-
8 ceptability of project proposals.

9 (2) CONTENT.—The criteria shall ensure that
10 carbon sequestration investment credits under sec-
11 tion 45E of the Internal Revenue Code of 1986 are
12 not allocated to projects the primary purpose of
13 which is to grow timber for commercial harvest or
14 to projects which replace native ecological systems
15 with commercial timber plantations. Projects should
16 be prioritized according to—

17 (A) native forest preservation, especially
18 with respect to land which would otherwise
19 cease to be native forest land,

20 (B) reforestation of former forest land
21 where such land has not been forested for at
22 least 10 years,

23 (C) biodiversity enhancement,

1 (D) the prevention of greenhouse gas emis-
2 sions through the preservation of carbon storing
3 plants and trees,

4 (E) soil erosion management,

5 (F) soil fertility restoration, and

6 (G) the duration of the project, including
7 any project under which other entities are en-
8 gaged to extend the duration of the project be-
9 yond the minimum carbon sequestration project
10 term.

11 (e) GUIDELINES FOR QUANTIFYING BENEFITS.—

12 (1) IN GENERAL.—Under the carbon sequestra-
13 tion program, the Chief of the Forest Service, in
14 consultation with other members of the imple-
15 menting panel, shall institute guidelines for the de-
16 velopment of methodologies for quantifying the
17 amount of carbon sequestered by particular projects
18 for the purposes of determining the acceptability of
19 project proposals. These guidelines should set stand-
20 ards for project sponsors with regard to—

21 (A) methodologies for measuring the car-
22 bon sequestered,

23 (B) measures to assure the duration of
24 projects sponsored,

1 (C) criteria that verifies that the carbon
2 sequestered is additional to the sequestration
3 which would have occurred without the spon-
4 sored project,

5 (D) reasonable criteria to evaluate the ex-
6 tent to which the project displaces activity that
7 causes deforestation in another location, and

8 (E) the extent to which the project pro-
9 motes sustainable development in a project
10 area, particularly with regard to protecting the
11 traditional land tenure of indigenous people.

12 (2) BASIS.—In developing the guidelines, the
13 Chief of the Forest Service shall—

14 (A) consult with land grant universities
15 and entities which specialize in carbon storage
16 verification and measurement, and

17 (B) use information reported to the Sec-
18 retary of Energy from projects carried out
19 under the voluntary reporting program of the
20 Energy Information Administration under sec-
21 tion 1605 of the Energy Policy Act of 1992 (42
22 U.S.C. 13385).

23 (f) VERIFICATION STANDARDS.—Under the carbon
24 sequestration program, the Director of the National Insti-
25 tute of Standards and Technology, in consultation with

1 other members of the implementing panel and the Na-
2 tional Science Foundation, shall establish verification
3 standards for purposes of subsection (c)(2)(D).

4 (g) PROGRAM REPORTING.—The Administrator of
5 the Energy Information Administration, in consultation
6 with the Secretary of Agriculture, shall develop forms to
7 monitor carbon sequestration improvements made as a re-
8 sult of the program established under this section and the
9 implementing panel shall use such forms to report to the
10 Administrator on—

11 (1) carbon sequestration improvements made as
12 a result of the program,

13 (2) carbon sequestration practices of project
14 sponsors enrolled in the program, and

15 (3) compliance with the terms of the imple-
16 menting panel's approval of projects.

17 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
18 authorized to be appropriated such sums as are necessary
19 to carry out the program established under subsection (a).

20 **SEC. 3. EXPORT-IMPORT BANK FINANCING.**

21 An owner or operator of property that is located out-
22 side of the United States and that is used in a carbon
23 sequestration project approved by the implementing panel
24 under section 2 may enter into a contract for an extension
25 of credit from the Export-Import Bank of the United

1 States of up to 75 percent of the cost of carrying out the
2 carbon sequestration practices specified in the carbon se-
3 questration project proposal to the extent that the Export-
4 Import Bank determines that the cost sharing is appro-
5 priate, in the public interest, and otherwise meets the re-
6 quirements of the Export-Import Bank Act of 1945.

7 **SEC. 4. EQUITY INVESTMENT INSURANCE.**

8 An owner or operator of property that is located out-
9 side of the United States and that is used in a carbon
10 sequestration project approved by the implementing panel
11 under section 2 may enter into a contract for investment
12 insurance issued by the Overseas Private Investment Cor-
13 poration pursuant to section 234 of the Foreign Assist-
14 ance Act of 1961 (22 U.S.C. 2194) if the Corporation de-
15 termines that issuance of the insurance is consistent with
16 the provisions of such section 234.

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