

INTERNATIONAL CLIMATE COOPERATION
RE-ENGAGEMENT ACT OF 2007

JUNE 28, 2007.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. LANTOS, from the Committee on Foreign Affairs,
submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 2420]

[Including cost estimate of the Congressional Budget Office]

The Committee on Foreign Affairs, to whom was referred the bill (H.R. 2420) to declare United States policy on international climate cooperation, to authorize assistance to promote clean and efficient energy technologies in foreign countries, and to establish the International Clean Energy Foundation, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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THE AMENDMENT

The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “International Climate Cooperation Re-engagement Act of 2007”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Definitions.

TITLE I—UNITED STATES POLICY ON GLOBAL CLIMATE CHANGE

Sec. 101. Congressional findings.
Sec. 102. Congressional statement of policy.
Sec. 103. Office on Global Climate Change.

TITLE II—ASSISTANCE TO PROMOTE CLEAN AND EFFICIENT ENERGY TECHNOLOGIES IN FOREIGN COUNTRIES

Sec. 201. Congressional findings.
Sec. 202. United States assistance for developing countries.
Sec. 203. United States exports and outreach programs for India and China.
Sec. 204. United States trade missions to encourage private sector trade and investment.
Sec. 205. Actions by Overseas Private Investment Corporation.
Sec. 206. Actions by United States Trade and Development Agency.
Sec. 207. Global Climate Change Exchange program.
Sec. 208. Interagency Working Group to support a Clean Energy Technology Exports Initiative.

TITLE III—INTERNATIONAL CLEAN ENERGY FOUNDATION

Sec. 301. Definitions.
Sec. 302. Establishment and management of Foundation.
Sec. 303. Duties of foundation.
Sec. 304. Annual report.
Sec. 305. Powers of the foundation; related provisions.
Sec. 306. General personnel authorities.
Sec. 307. Authorization of appropriations.

SEC. 2. DEFINITIONS.

In this Act:

(1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

(2) **CLEAN AND EFFICIENT ENERGY TECHNOLOGY.**—The term “clean and efficient energy technology” means an energy supply or end-use technology—

- (A) such as—
 - (i) solar technology;
 - (ii) wind technology;
 - (iii) geothermal technology;
 - (iv) hydroelectric technology; and
 - (v) carbon capture technology; and

(B) that, over its life cycle and compared to a similar technology already in commercial use—

- (i) is reliable, affordable, economically viable, socially acceptable, and compatible with the needs and norms of the country involved;
- (ii) results in—
 - (I) reduced emissions of greenhouse gases; or
 - (II) increased geological sequestration; and
- (iii) may—
 - (I) substantially lower emissions of air pollutants; or
 - (II) generate substantially smaller or less hazardous quantities of solid or liquid waste.

(3) **GEOLOGICAL SEQUESTRATION.**—The term “geological sequestration” means the capture and long-term storage in a geological formation of a greenhouse gas from an energy producing facility, which prevents the release of greenhouse gases into the atmosphere.

(4) **GREENHOUSE GAS.**—The term “greenhouse gas” means—

- (A) carbon dioxide;
- (B) methane;
- (C) nitrous oxide;
- (D) hydrofluorocarbons;
- (E) perfluorocarbons; or
- (F) sulfur hexafluoride.

TITLE I—UNITED STATES POLICY ON GLOBAL CLIMATE CHANGE

SEC. 101. CONGRESSIONAL FINDINGS.

Congress makes the following findings:

(1) There is a global scientific consensus, as established by the Intergovernmental Panel on Climate Change (IPCC) and confirmed by the National Academy of Sciences, that the continued build-up of anthropogenic greenhouse gases in the atmosphere has been, and is now warming the earth and threatens the stability of the global climate. By the estimate of the IPCC, unmitigated global greenhouse gas emissions could drive up global temperatures by as much as 7 to 11 degrees Fahrenheit by 2100.

(2) Climate change is already having significant impacts in certain regions of the world and on many ecosystems, with poor populations being most vulnerable.

(3) Climate change is a global problem that can only be managed by a coordinated global response that reduces global emissions of greenhouse gases to a level that stabilizes their concentration in the Earth's atmosphere.

(4) The United Nations Framework Convention on Climate Change (hereinafter in this section referred to as the "Convention") establishes a viable foundation to construct a global regime to combat global warming and manage its impacts.

(5) The United States, along with 189 other countries, is a party to the Convention, agreed to in New York on May 9, 1992, and entered into force in 1994. The Convention's stated objective is "to achieve stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system".

(6) The Kyoto Protocol to the Convention was adopted by the third Convention Conference of the Parties (COP-3) in December 1997, in Kyoto, Japan, and stipulated legally binding reductions in greenhouse gas emissions at an average of 5.2 percent below 1990 levels for industrialized countries, but it did not specify policies for its implementation. The Kyoto Protocol also did not stipulate binding reductions in greenhouse gas emissions for rapidly industrializing countries such as China, India, and Brazil.

(7) Before negotiations were completed on the mechanisms for implementing Kyoto Protocol commitments on greenhouse gas emissions, George W. Bush took office as President of the United States, and in March 2001, announced opposition to continued negotiations over implementation of the Protocol, stating that the Protocol was "fatally flawed" from the Administration's point of view.

(8) President Bush unveiled an "alternative" strategy to the Kyoto Protocol for halting global warming on February 14, 2002. The President's plan did not contain any international component to amend or supplant the Kyoto Protocol or any kind of blueprint for committing major developing economies such as China, India, and Brazil to reduce future greenhouse gas emissions. The President's plan set a voluntary "greenhouse gas intensity" target for the United States that specified an 18 percent reduction in "emissions intensity" by 2012. This reduction would allow actual emissions to increase by at least 12 percent over the same period.

(9) On February 16, 2005, after Russia's ratification, the Kyoto Protocol entered into force. With entry into force, the emissions targets of the Protocol became legally binding commitments for those industrialized countries that ratified the Protocol. Because the United States and Australia did not ratify the Protocol, and because developing countries are not subject to its limits, the Protocol currently restricts the emissions of countries accounting for only 32 percent of global greenhouse gas emissions.

(10) The Kyoto Protocol required that parties to the Protocol begin negotiating in 2005 toward a second round of commitments to begin after the expiration of the first emissions budget period in 2012. The eleventh Convention Conference of the Parties (COP-11) in November and December 2005 in Montreal, Canada launched the negotiations on the second round of commitments by parties to the Protocol and initiated a dialogue (a "parallel process") under the Convention that engaged both the United States and developing countries in discussions on future efforts.

(11) At the twelfth Convention Conference of the Parties (COP-12) in November 2006 in Nairobi, Kenya, parties continued discussions on a second round of commitments under the Kyoto Protocol as a successor to the first commit-

ment period (2008 through 2012) and, in the parallel process, discussed enhanced cooperation under the Convention that would engage countries that did not have commitments under the Protocol.

(12) At a summit in Brussels, Belgium in March 2007, the head of governments of the European Union committed its Member States to cut greenhouse gas emissions 20 percent below 1990 levels by 2020 and committed to move this target up to 30 percent if the United States and other major emitters joined the commitment.

(13) On April 17, 2007, the United Nations Security Council held its first ever “open meeting” on the impact of climate change on international security. British Foreign Secretary Margaret Beckett, in her capacity as President of the Security Council, declared in her opening statement that the Council has a “security imperative” to tackle climate change because it can exacerbate problems that cause conflicts and because it threatens the entire planet. United Nations Secretary-General Ban Ki-moon told the Council that “issues of energy and climate change have implications for peace and security”.

(14) Working Group III of the IPCC met from April 30 through May 4, 2007, in Bangkok, Thailand to assess technologies and policies needed to avert dangerous climate change and to provide background for negotiations on a post-2012 climate change regime. The draft report by the IPCC Working Group III concludes that by quickly adopting technological options that are available or are being developed, the global concentration of greenhouse gases in the atmosphere can be stabilized at 450–550 parts per million (ppm). The IPCC scientists believe that a 450 to 550 ppm ceiling might limit the global rise in temperatures to no more than 3.6 degrees Fahrenheit and avert impacts of escalating scale, scope, and costs, potentially including the destabilization of large polar ice sheets that could contribute to long-term, catastrophic sea level rise at higher temperatures.

(15) At the Group of Eight (G–8) Summit scheduled to be held in Heiligendamm, Germany in June 2007, climate change and energy have been placed at the top of the policy agenda, and during the Summit, the G–8 is scheduled to have a dialogue with China, India, South Africa, Mexico, and Brazil on the issue.

(16) The United Nations Secretary-General Ban Ki-moon has indicated that one of his top goals is to forge a more comprehensive agreement under the Convention to ensure there is no gap when the first commitment period under the Kyoto Protocol ends in 2012. In order to reach this goal, critical negotiations involving all of the major greenhouse gas emitters, along with the vulnerable countries, must be initiated immediately and be completed by 2009. On May 1, 2007, the Secretary-General named three Special Envoys on Climate Change to assist in “consultations with Governments”. The Secretary-General will host a “high-level meeting” on climate change at the United Nations General Assembly in September 2007 to give “political direction” to the thirteenth Convention Conference of the Parties (COP–13) to take place in December 2007 in Bali, Indonesia.

SEC. 102. CONGRESSIONAL STATEMENT OF POLICY.

Congress declares the following to be the policy of the United States:

(1) To promote United States and global security through leadership in cooperation with other nations of the global effort to reduce and stabilize global greenhouse gas emissions and stabilize atmospheric concentration of such gases. As such, the United States will seek to obtain mitigation commitments from all major greenhouse gas emitting countries under the institutional framework provided by the United Nations Framework Convention on Climate Change (hereinafter in this section referred to as the “Convention”);

(2) To facilitate progress in global negotiations toward a comprehensive agreement under the Convention, and in service of this goal, the United States will, during the course of 2007, engage in high level dialogue on climate change within the Group of Eight (G–8), with the European Union, with Japan and other industrialized countries, and with China, India, Brazil, and other major developing countries. The United States will also participate in the initiative of the United Nations Secretary-General to build consensus among governments on enhanced international cooperation on these matters.

(3) To participate more actively and constructively in the intergovernmental climate change process, including at the thirteenth Convention Conference of the Parties (COP–13) to take place in December 2007 in Bali, Indonesia. As such, at the COP–13 meeting, the United States will be represented by a high-level delegation composed of climate experts and career foreign service officers with extensive diplomatic experience, including experience in multi-lateral nego-

tiations, headed by the Secretary of State, the Secretary's Deputy, or the Undersecretary for Global Affairs of the Department of State.

(4) To engage in serious discussion of possible future commitments under the Convention. These discussions will seek to develop a plan of action and time-table with the goal of adopting a new international agreement under the Convention that stipulates commitments from all major greenhouse gas emitters, including the United States and other countries listed in Annex 1 to the Convention, China, India, and Brazil, at the fifteenth Convention Conference of the Parties (COP-15) to take place in 2009. This process will seek as its objective that a new instrument will come into force by the time the first commitment period under the Kyoto Protocol ends in 2012.

(5) To protect United States national and economic interests and United States competitiveness in all sectors by negotiating a new agreement under the Convention that is cost effective, comprehensive, flexible, and equitable. Such an agreement shall, at a minimum—

(A) require binding mitigation commitments from all major emitting countries based on their level of development;

(B) provide for different forms of commitments, including economy-wide emissions targets, policy-based commitments, sectoral agreements, and no-regrets targets;

(C) increase cooperation on clean and efficient energy technologies and practices;

(D) target all greenhouse gases, including sources, sinks, and reservoirs of greenhouse gases, and should expand the current scope of the Kyoto Protocol and Convention to sectors not covered, such as the international aviation and maritime sectors;

(E) include mechanisms to harness market-based solutions, building upon the joint implementation, clean development mechanism, and international emissions trading developed under the Protocol;

(F) include incentives for sustainable forestry management that reflect the value of avoided deforestation;

(G) address the need for adaptation, especially for the most vulnerable and poorest countries on the planet;

(H) consider the impact on United States industry and contain effective mechanisms to protect United States competitiveness; and

(I) include the perspectives and address the concerns of impacted indigenous and tribal populations.

(6) To seek international consensus on long-term objectives including a target range for stabilizing greenhouse gas concentrations. The target range should reflect the consensus recommendations of Intergovernmental Panel on Climate Change (IPCC) scientists, who believe that concentrations of greenhouse gases in the Earth's atmosphere must be stabilized to provide a reasonable chance of limiting the rise in global temperatures to a level that might avert the most damaging impacts of climate change.

SEC. 103. OFFICE ON GLOBAL CLIMATE CHANGE.

(a) **ESTABLISHMENT OF OFFICE.**—There is established within the Department of State an Office on Global Climate Change (hereinafter in this section referred to as the "Office").

(b) **HEAD OF OFFICE.**—

(1) **IN GENERAL.**—The head of the Office shall be the Ambassador-at-Large for Global Climate Change (hereinafter in this section referred to as the "Ambassador-at-Large").

(2) **APPOINTMENT.**—The Ambassador-at-Large shall be appointed by the President, by and with the advice and consent of the Senate.

(c) **DUTIES.**—

(1) **IN GENERAL.**—The primary responsibility of the Ambassador-at-Large shall be to advance the goals of the United States with respect to reducing the emissions of global greenhouse gases and addressing the challenges posed by global climate change.

(2) **ADVISORY ROLE.**—The Ambassador-at-Large—

(A) shall be a principal adviser to the President and the Secretary of State on matters relating to global climate change; and

(B) shall make recommendations to the President and the Secretary of State on policies of the United States Government with respect to international cooperation on reducing the emission of global greenhouse gases and addressing the challenges posed by global climate change.

(3) DIPLOMATIC REPRESENTATION.—Subject to the direction of the President and the Secretary of State, the Ambassador-at-Large is authorized to represent the United States in matters relating to global climate change in—

(A) contacts with foreign governments, intergovernmental organizations, and specialized agencies of the United Nations, the Organization on Security and Cooperation in Europe, and other international organizations of which the United States is a member; and

(B) multilateral conferences and meetings relating to global climate change.

(d) FUNDING.—The Secretary of State shall provide the Ambassador-at-Large with such funds as may be necessary for the hiring of staff for the Office, the conduct of investigations by the Office, and for necessary travel to carry out the provisions of this section.

(e) REPORT.—Not later than September 1 of each year, the Secretary of State, with the assistance of the Ambassador-at-Large, shall prepare and submit to the appropriate congressional committees a report on the strategy, policies, and actions of the United States for reducing the emissions of global greenhouse gases and addressing the challenges posed of global climate change.

TITLE II—ASSISTANCE TO PROMOTE CLEAN AND EFFICIENT ENERGY TECHNOLOGIES IN FOREIGN COUNTRIES

SEC. 201. CONGRESSIONAL FINDINGS.

Congress makes the following findings:

(1) Several provisions of the Energy Policy Act of 1992 were designed to expand Federal programs that support renewable energy and energy efficient equipment exports and to broaden the portfolio of programs to include training and technology transfer activities that help promote development in less industrialized nations, expand global markets, and reduce greenhouse gas emissions. However, few of the export-related provisions of the Energy Policy Act of 1992 were implemented due to a lack of Federal funding.

(2) In 2000, Congress called for several United States Government agencies to create an Interagency Working Group to support a Clean Energy Technology Exports Initiative to use the combined resources of various agencies to promote the export of clean energy technologies abroad. The Initiative also suffered from low levels of Federal funding and has not produced significant results.

(3) Large and emerging economies, such as India and China, play significant roles in the global energy security system as large consumers of energy and should be included as member countries in the International Energy Agency to strengthen the common interest of importers in encouraging transparent energy markets and in planning for supply disruptions.

(4) The challenge of energy security severely affects developing countries where over 1.6 billion people lack access to affordable energy services. In these nations, a lack of transparency and accountability creates a climate of mistrust for investors; bilateral and multilateral lending institutions do not provide sufficient incentives to companies investing in clean and efficient energy technologies; women and children suffer disproportionately due to the lack of energy services; inaccessibility of energy services impedes other development programs in education, health, agriculture, and the environment; and dependence on imported fuels leaves countries vulnerable to supply disruptions and economic shocks.

(5) In addition to promoting the export of clean energy technologies, large energy-consuming economies must also have appropriate incentive systems, policy and regulatory frameworks, and investment climates in place to accept and promote the adoption of such technologies.

(6) More than \$16 trillion needs to be invested in energy-supply infrastructure worldwide by 2030 to meet energy demand, and almost half of total energy investment will take place in developing countries, where production and demand are expected to increase the most.

(7) Public and private sector capital will be needed to fulfill future demand. The opportunity exists for public and private actors to coordinate efforts and leverage resources to direct this investment into technologies, practices, and services that promote energy efficiency, clean-energy production, and a reduction in global greenhouse gas emissions.

(8) In attempting to address the global climate change challenge, the United States Government recently launched the Asia Pacific Partnership on

Clean Development and Climate, which is meant to accelerate the development and deployment of clean energy technologies. However, this Partnership operates in a non-binding framework that does not require any emissions reductions from the partner countries.

SEC. 202. UNITED STATES ASSISTANCE FOR DEVELOPING COUNTRIES.

(a) **ASSISTANCE AUTHORIZED.**—The Administrator of the United States Agency for International Development shall support policies and programs in developing countries that promote clean and efficient energy technologies—

(1) to produce the necessary market conditions for the private sector delivery of energy and environmental management services;

(2) to create an environment that is conducive to accepting clean and efficient energy technologies that support the overall purpose of reducing greenhouse gas emissions, including—

(A) improving policy, legal, and regulatory frameworks;

(B) increasing institutional abilities to provide energy and environmental management services; and

(C) increasing public awareness and participation in the decision-making of delivering energy and environmental management services; and

(3) to promote the use of American-made clean and efficient energy technologies, products, and energy and environmental management services.

(b) **REPORT.**—The Administrator of the United States Agency for International Development shall submit to the appropriate committees an annual report on the implementation of this section for each of the fiscal years 2008 through 2012.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out this section, there are authorized to be appropriated to the Administrator of the United States Agency for International Development \$200,000,000 for each of the fiscal years 2008 through 2012.

SEC. 203. UNITED STATES EXPORTS AND OUTREACH PROGRAMS FOR INDIA, CHINA, AND OTHER COUNTRIES.

(a) **ASSISTANCE AUTHORIZED.**—The Secretary of Commerce shall direct the United States and Foreign Commercial Service to expand or create a corps of the Foreign Commercial Service officers to promote United States exports in clean and efficient energy technologies and build the capacity of government officials in India, China, and any other country the Secretary of Commerce determines appropriate, to become more familiar with the available technologies—

(1) by assigning or training Foreign Commercial Service attachés, who have expertise in clean and efficient energy technologies from the United States, to embark on business development and outreach efforts to India and China; and

(2) by deploying the attachés described in paragraph (1) to educate provincial, state, and local government officials in India and China on the variety of United States-based technologies in clean and efficient energy technologies for the purposes of promoting United States exports and reducing global greenhouse gas emissions.

(b) **REPORT.**—The Secretary of Commerce shall submit to the appropriate committees an annual report on the implementation of this section for each of the fiscal years 2008 through 2012.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out this section, there are authorized to be appropriated to the Secretary of Commerce such sums as may be necessary for each of the fiscal years 2008 through 2012.

SEC. 204. UNITED STATES TRADE MISSIONS TO ENCOURAGE PRIVATE SECTOR TRADE AND INVESTMENT.

(a) **ASSISTANCE AUTHORIZED.**—The Secretary of Commerce shall direct the International Trade Administration to expand or create trade missions to and from the United States to encourage private sector trade and investment in clean and efficient energy technologies—

(1) by organizing and facilitating trade missions to foreign countries and by matching United States private sector companies with opportunities in foreign markets so that clean and efficient energy technologies can help to combat increases in global greenhouse gas emissions; and

(2) by creating reverse trade missions in which the Department of Commerce facilitates the meeting of foreign private and public sector organizations with private sector companies in the United States for the purpose of showcasing clean and efficient energy technologies in use or in development that could be exported to other countries.

(b) **REPORT.**—The Secretary of Commerce shall submit to the appropriate committees an annual report on the implementation of this section for each of the fiscal years 2008 through 2012.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out this section, there are authorized to be appropriated to the Secretary of Commerce such sums as may be necessary for each of the fiscal years 2008 through 2012.

SEC. 205. ACTIONS BY OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) **FINDINGS.**—Congress finds the following:

(1) Many of the emerging markets within which the Overseas Private Investment Corporation supports projects have immense energy needs and will require significant investment in the energy sector in the coming decades.

(2) The use, or lack of use, of clean and efficient energy technologies can have a dramatic effect on the rate of global greenhouse gas emissions from emerging markets in the coming decades.

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that the Overseas Private Investment Corporation should promote greater investment in clean and efficient energy technologies by—

(1) proactively reaching out to United States companies that are interested in investing in clean and efficient energy technologies in countries that are significant contributors to global greenhouse gas emissions;

(2) giving preferential treatment to the evaluation and awarding of projects that involve the investment or utilization of clean and efficient energy technologies; and

(3) providing greater flexibility in supporting projects that involve the investment or utilization of clean and efficient energy technologies, including financing, insurance, and other assistance.

(c) **REPORT.**—The Overseas Private Investment Corporation shall include in its annual report required under section 240A of the Foreign Assistance Act of 1961 (22 U.S.C. 2200a)—

(1) a description of the activities carried out to implement this section; or

(2) if the Corporation did not carry out any activities to implement this section, an explanation of the reasons therefor.

SEC. 206. ACTIONS BY UNITED STATES TRADE AND DEVELOPMENT AGENCY.

(a) **ASSISTANCE AUTHORIZED.**—The Director of the Trade and Development Agency shall establish or support policies that—

(1) proactively seek opportunities to fund projects that involve the utilization of clean and efficient energy technologies, including in trade capacity building and capital investment projects;

(2) give preferential treatment to the evaluation and awarding of projects that involve the utilization of clean and efficient energy technologies, particularly to countries that have the potential for significant reduction in greenhouse gas emissions; and

(3) recruit and retain individuals with appropriate expertise in clean, renewable, and efficient energy technologies to identify and evaluate opportunities for projects that involve clean and efficient energy technologies and services.

(b) **REPORT.**—The President shall include in the annual report on the activities of the Trade and Development Agency required under section 661(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2421(d)) a description of the activities carried out to implement this section.

SEC. 207. GLOBAL CLIMATE CHANGE EXCHANGE PROGRAM.

(a) **PROGRAM AUTHORIZED.**—The Secretary of State is authorized to establish a program to strengthen research, educational exchange, and international cooperation with the aim of reducing global greenhouse gas emissions and addressing the challenges posed by global climate change. The program authorized by this subsection shall be carried out pursuant to the authorities of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.) and may be referred to as the “Global Climate Change Exchange Program”.

(b) **ELEMENTS.**—The program authorized by subsection (a) shall contain the following elements:

(1) The financing of studies, research, instruction, and other educational activities dedicated to reducing carbon emissions and addressing the challenge of global climate change—

(A) by or to United States citizens and nationals in foreign universities, governments, organizations, companies, or other institutions; and

(B) by or to citizens and nationals of foreign countries in United States universities, governments, organizations, companies, or other institutions.

(2) The financing of visits and exchanges between the United States and other countries of students, trainees, teachers, instructors, professors, researchers, and other persons who study, teach, and conduct research in subjects such as the physical sciences, environmental science, public policy, economics, urban

planning, and other subjects and focus on reducing greenhouse gas emissions and addressing the challenges posed by global climate change.

(c) ACCESS.—The Secretary of State shall ensure that the program authorized by subsection (a) is available to—

(1) historically Black colleges and universities that are part B institutions (as such term is defined in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2))), Hispanic-serving institutions (as such term is defined in section 502(5) of such Act (20 U.S.C. 1101a(5))), Tribal Colleges or Universities (as such term is defined in section 316 of such Act (20 U.S.C. 1059c)), and other minority institutions (as such term is defined in section 365(3) of such Act (20 U.S.C. 1067k(3))), and to the students, faculty, and researchers at such colleges, universities, and institutions; and

(2) small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women (as such terms are defined in section 8(d)(3) of the Small Business Act (15 U.S.C. 637(d)(3))).

(d) REPORT.—The Secretary of State shall transmit to the appropriate committees an annual report on the implementation of this section for each of the fiscal years 2008 through 2012.

(e) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated to the Secretary of State \$3,000,000 for each of the fiscal years 2008 through 2012.

SEC. 208. INTERAGENCY WORKING GROUP TO SUPPORT A CLEAN ENERGY TECHNOLOGY EXPORTS INITIATIVE.

(a) ASSISTANCE AUTHORIZED.—The President shall provide assistance to the Interagency Working Group to support a Clean Energy Technology Exports Initiative—

(1) to improve the ability of the United States to respond to international competition by leveraging the resources of Federal departments and agencies effectively and efficiently and by raising policy issues that may hamper the export of United States clean energy technologies abroad;

(2) to fulfill, as appropriate, the mission and objectives as noted in the report entitled, Five-Year Strategic Plan of the Clean Energy Technology Exports Initiative, submitted to Congress in October 2002; and

(3) to raise the importance and level of oversight of the Interagency Working Group to the heads of the Federal departments and agencies that are participating in the Interagency Working Group.

(b) REPORT.—The Administrator of the United States Agency for International Development, the Secretary of Commerce, and the Secretary of Energy shall jointly submit to the appropriate committees an annual report on the implementation of this section for each of the fiscal years 2008 through 2012.

(c) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated to the President \$5,000,000 for each of the fiscal years 2008 through 2012.

TITLE III—INTERNATIONAL CLEAN ENERGY FOUNDATION

SEC. 301. DEFINITIONS.

In this title:

(1) BOARD.—The term “Board” means the Board of Directors of the Foundation established pursuant to section 302(c).

(2) CHIEF EXECUTIVE OFFICER.—The term “Chief Executive Officer” means the chief executive officer of the Foundation appointed pursuant to section 302(b).

(3) FOUNDATION.—The term “Foundation” means the International Clean Energy Foundation established by section 302(a).

SEC. 302. ESTABLISHMENT AND MANAGEMENT OF FOUNDATION.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established in the executive branch a foundation to be known as the “International Clean Energy Foundation” that shall be responsible for carrying out the provisions of this title. The Foundation shall be a government corporation, as defined in section 103 of title 5, United States Code.

(2) BOARD OF DIRECTORS.—The Foundation shall be governed by a Board of Directors chaired by the Secretary of State (or the Secretary's designee) in accordance with subsection (d).

(3) INTENT OF CONGRESS.—It is the intent of Congress, in establishing the structure of the Foundation set forth in this subsection, to create an entity that serves the long-term foreign policy and energy security goals of reducing global greenhouse gas emissions.

(b) CHIEF EXECUTIVE OFFICER.—

(1) IN GENERAL.—There shall be in the Foundation a Chief Executive Officer who shall be responsible for the management of the Foundation.

(2) APPOINTMENT.—The Chief Executive Officer shall be appointed by the Board, with the advice and consent of the Senate, and shall be a recognized leader in clean and efficient energy technologies and climate change and shall have experience in energy security, business, or foreign policy, chosen on the basis of a rigorous search.

(3) RELATIONSHIP TO BOARD.—The Chief Executive Officer shall report to, and be under the direct authority of, the Board.

(4) COMPENSATION AND RANK.—

(A) IN GENERAL.—The Chief Executive Officer shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(B) AMENDMENT.—Section 5314 of title 5, United States Code, is amended by adding at the end the following:

“Chief Executive Officer, International Clean Energy Foundation.”.

(C) AUTHORITIES AND DUTIES.—The Chief Executive Officer shall be responsible for the management of the Foundation and shall exercise the powers and discharge the duties of the Foundation.

(D) AUTHORITY TO APPOINT OFFICERS.—In consultation and with approval of the Board, the Chief Executive Officer shall appoint all officers of the Foundation.

(c) BOARD OF DIRECTORS.—

(1) ESTABLISHMENT.—There shall be in the Foundation a Board of Directors.

(2) DUTIES.—The Board shall perform the functions specified to be carried out by the Board in this title and may prescribe, amend, and repeal bylaws, rules, regulations, and procedures governing the manner in which the business of the Foundation may be conducted and in which the powers granted to it by law may be exercised.

(3) MEMBERSHIP.—The Board shall consist of—

(A) the Secretary of State (or the Secretary's designee), the Secretary of Energy (or the Secretary's designee), and the Administrator of the United States Agency for International Development (or the Administrator's designee); and

(B) four other individuals with relevant experience in matters relating to energy security (such as individuals who represent institutions of energy policy, business organizations, foreign policy organizations, or other relevant organizations) who shall be appointed by the President, by and with the advice and consent of the Senate, of which—

(i) one individual shall be appointed from among a list of individuals submitted by the majority leader of the House of Representatives;

(ii) one individual shall be appointed from among a list of individuals submitted by the minority leader of the House of Representatives;

(iii) one individual shall be appointed from among a list of individuals submitted by the majority leader of the Senate; and

(iv) one individual shall be appointed from among a list of individuals submitted by the minority leader of the Senate.

(4) CHIEF EXECUTIVE OFFICER.—The Chief Executive Officer of the Foundation shall serve as a nonvoting, ex officio member of the Board.

(5) TERMS.—

(A) OFFICERS OF THE FEDERAL GOVERNMENT.—Each member of the Board described in paragraph (3)(A) shall serve for a term that is concurrent with the term of service of the individual's position as an officer within the other Federal department or agency.

(B) OTHER MEMBERS.—Each member of the Board described in paragraph (3)(B) shall be appointed for a term of 3 years and may be reappointed for a term of an additional 3 years.

(C) VACANCIES.—A vacancy in the Board shall be filled in the manner in which the original appointment was made.

(D) ACTING MEMBERS.—A vacancy in the Board may be filled with an appointment of an acting member by the Chairperson of the Board for up to 1 year while a nominee is named and awaits confirmation in accordance with paragraph (3)(B).

(6) CHAIRPERSON.—There shall be a Chairperson of the Board. The Secretary of State (or the Secretary's designee) shall serve as the Chairperson.

(7) QUORUM.—A majority of the members of the Board described in paragraph (3) shall constitute a quorum, which, except with respect to a meeting of the Board during the 135-day period beginning on the date of the enactment of this Act, shall include at least 1 member of the Board described in paragraph (3)(B).

(8) MEETINGS.—The Board shall meet at the call of the Chairperson, who shall call a meeting no less than once a year.

(9) COMPENSATION.—

(A) OFFICERS OF THE FEDERAL GOVERNMENT.—

(i) IN GENERAL.—A member of the Board described in paragraph (3)(A) may not receive additional pay, allowances, or benefits by reason of the member's service on the Board.

(ii) TRAVEL EXPENSES.—Each such member of the Board shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

(B) OTHER MEMBERS.—

(i) IN GENERAL.—Except as provided in clause (ii), a member of the Board described in paragraph (3)(B)—

(I) shall be paid compensation out of funds made available for the purposes of this title at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties as a member of the Board; and

(II) while away from the member's home or regular place of business on necessary travel in the actual performance of duties as a member of the Board, shall be paid per diem, travel, and transportation expenses in the same manner as is provided under subchapter I of chapter 57 of title 5, United States Code.

(ii) LIMITATION.—A member of the Board may not be paid compensation under clause (i)(II) for more than 90 days in any calendar year.

SEC. 303. DUTIES OF FOUNDATION.

The Foundation shall—

(1) use the funds authorized by this title to make grants to promote projects outside of the United States that serve as models of how to significantly reduce the emissions of global greenhouse gases through clean and efficient energy technologies, processes, and services;

(2) seek contributions from foreign governments, especially those rich in energy resources such as member countries of the Organization of the Petroleum Exporting Countries, and private organizations to supplement funds made available under this title;

(3) harness global expertise through collaborative partnerships with foreign governments and domestic and foreign private actors, including non-governmental organizations and private sector companies, by leveraging public and private capital, technology, expertise, and services towards innovative models that can be instituted to reduce global greenhouse gas emissions;

(4) create a repository of information on best practices and lessons learned on the utilization and implementation of clean and efficient energy technologies and processes to be used for future initiatives to tackle the climate change crisis;

(5) be committed to minimizing administrative costs and to maximizing the availability of funds for grants under this title; and

(6) promote the use of American-made clean and efficient energy technologies, processes, and services.

SEC. 304. ANNUAL REPORT.

(a) REPORT REQUIRED.—Not later than March 31, 2008, and each March 31 thereafter, the Foundation shall submit to the appropriate congressional committees a report on the implementation of this title during the prior fiscal year.

(b) CONTENTS.—The report required by subsection (a) shall include—

(1) the total financial resources available to the Foundation during the year, including appropriated funds, the value and source of any gifts or donations accepted pursuant to section 305(a)(6), and any other resources;

(2) a description of the Board's policy priorities for the year and the basis upon which competitive grant proposals were solicited and awarded to non-governmental institutions and other organizations;

(3) a list of grants made to nongovernmental institutions and other organizations that includes the identity of the institutional recipient, the dollar amount, and the results of the program; and

(4) the total administrative and operating expenses of the Foundation for the year, as well as specific information on—

(A) the number of Foundation employees and the cost of compensation for Board members, Foundation employees, and personal service contractors;

(B) costs associated with securing the use of real property for carrying out the functions of the Foundation;

(C) total travel expenses incurred by Board members and Foundation employees in connection with Foundation activities; and

(D) total representational expenses.

SEC. 305. POWERS OF THE FOUNDATION; RELATED PROVISIONS.

(a) **POWERS.**—The Foundation—

(1) shall have perpetual succession unless dissolved by a law enacted after the date of the enactment of this Act;

(2) may adopt, alter, and use a seal, which shall be judicially noticed;

(3) may make and perform such contracts, grants, and other agreements with any person or government however designated and wherever situated, as may be necessary for carrying out the functions of the Foundation;

(4) may determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid, including expenses for representation;

(5) may lease, purchase, or otherwise acquire, improve, and use such real property wherever situated, as may be necessary for carrying out the functions of the Foundation;

(6) may accept money, funds, services, or property (real, personal, or mixed), tangible or intangible, made available by gift, bequest grant, or otherwise for the purpose of carrying out the provisions of this Act from domestic or foreign private individuals, charities, nongovernmental organizations, corporations, or governments;

(7) may use the United States mails in the same manner and on the same conditions as the executive departments;

(8) may contract with individuals for personal services, who shall not be considered Federal employees for any provision of law administered by the Office of Personnel Management;

(9) may hire or obtain passenger motor vehicles; and

(10) shall have such other powers as may be necessary and incident to carrying out this title.

(b) **PRINCIPAL OFFICE.**—The Foundation shall maintain its principal office in the metropolitan area of Washington, District of Columbia.

(c) **APPLICABILITY OF GOVERNMENT CORPORATION CONTROL ACT.**—

(1) **IN GENERAL.**—The Foundation shall be subject to chapter 91 of subtitle VI of title 31, United States Code, except that the Foundation shall not be authorized to issue obligations or offer obligations to the public.

(2) **CONFORMING AMENDMENT.**—Section 9101(3) of title 31, United States Code, is amended by adding at the end the following:

“(R) the International Clean Energy Foundation.”.

(d) **INSPECTOR GENERAL.**—

(1) **IN GENERAL.**—The Inspector General of the Department of State shall serve as Inspector General of the Foundation, and, in acting in such capacity, may conduct reviews, investigations, and inspections of all aspects of the operations and activities of the Foundation.

(2) **AUTHORITY OF THE BOARD.**—In carrying out the responsibilities under this subsection, the Inspector General shall report to and be under the general supervision of the Board.

(3) **REIMBURSEMENT AND AUTHORIZATION OF SERVICES.**—

(A) **REIMBURSEMENT.**—The Foundation shall reimburse the Department of State for all expenses incurred by the Inspector General in connection with the Inspector General's responsibilities under this subsection.

(B) **AUTHORIZATION FOR SERVICES.**—Of the amount authorized to be appropriated under section 307(a) for a fiscal year, up to \$500,000 is authorized to be made available to the Inspector General of the Department of State to conduct reviews, investigations, and inspections of operations and activities of the Foundation.

SEC. 306. GENERAL PERSONNEL AUTHORITIES.

(a) **DETAIL OF PERSONNEL.**—Upon request of the Chief Executive Officer, the head of an agency may detail any employee of such agency to the Foundation on a reimbursable basis. Any employee so detailed remains, for the purpose of preserving such employee's allowances, privileges, rights, seniority, and other benefits, an employee of the agency from which detailed.

(b) **REEMPLOYMENT RIGHTS.**—

(1) **IN GENERAL.**—An employee of an agency who is serving under a career or career conditional appointment (or the equivalent), and who, with the consent of the head of such agency, transfers to the Foundation, is entitled to be reemployed in such employee's former position or a position of like seniority, status, and pay in such agency, if such employee—

(A) is separated from the Foundation for any reason, other than misconduct, neglect of duty, or malfeasance; and

(B) applies for reemployment not later than 90 days after the date of separation from the Foundation.

(2) **SPECIFIC RIGHTS.**—An employee who satisfies paragraph (1) is entitled to be reemployed (in accordance with such paragraph) within 30 days after applying for reemployment and, on reemployment, is entitled to at least the rate of basic pay to which such employee would have been entitled had such employee never transferred.

(c) **HIRING AUTHORITY.**—Of persons employed by the Foundation, no more than 30 persons may be appointed, compensated, or removed without regard to the civil service laws and regulations.

(d) **BASIC PAY.**—The Chief Executive Officer may fix the rate of basic pay of employees of the Foundation without regard to the provisions of chapter 51 of title 5, United States Code (relating to the classification of positions), subchapter III of chapter 53 of such title (relating to General Schedule pay rates), except that no employee of the Foundation may receive a rate of basic pay that exceeds the rate for level IV of the Executive Schedule under section 5315 of such title.

(e) **DEFINITIONS.**—In this section—

(1) the term “agency” means an executive agency, as defined by section 105 of title 5, United States Code; and

(2) the term “detail” means the assignment or loan of an employee, without a change of position, from the agency by which such employee is employed to the Foundation.

SEC. 307. AUTHORIZATION OF APPROPRIATIONS.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out this title, there are authorized to be appropriated \$20,000,000 for each of the fiscal years 2008 through 2012.

(b) **ALLOCATION OF FUNDS.**—

(1) **IN GENERAL.**—The Foundation may allocate or transfer to any agency of the United States Government any of the funds available for carrying out this title. Such funds shall be available for obligation and expenditure for the purposes for which the funds were authorized, in accordance with authority granted in this title or under authority governing the activities of the United States Government agency to which such funds are allocated or transferred.

(2) **NOTIFICATION.**—The Foundation shall notify the appropriate congressional committees not less than 15 days prior to an allocation or transfer of funds pursuant to paragraph (1).

SUMMARY

H.R. 2420, the International Climate Cooperation Re-engagement Act of 2007 (the “Act”): declares policy on international climate cooperation; establishes an Office on Global Climate Change headed by an Ambassador-at-Large for Global Climate Change appointed by the President, by and with the advice and consent of the Senate; authorizes assistance on clean and efficient energy technologies in foreign countries; establishes a Global Climate Change Exchange Program; and establishes an executive branch agency, the Inter-

national Clean Energy Foundation that is authorized to raise funds and to make grants to promote projects outside the United States that serve as models of how to significantly reduce the emissions of global greenhouse gases.

BACKGROUND AND PURPOSE FOR THE LEGISLATION

The Act responds to the overwhelming global scientific consensus, as established by the Intergovernmental Panel on Climate Change (IPCC), and confirmed by the National Academy of Sciences, that the continued build-up of anthropogenic greenhouse gases in the atmosphere has been, and is now warming the earth and threatens the stability of the global climate. Its purpose is to address and contain the threat that unmitigated global greenhouse gas emissions pose to U.S. and global security given the conclusion of IPCC scientists that “business as usual” could drive up global temperatures by as much as 11 degrees Fahrenheit by 2010.

The Act establishes that climate change is a global problem that can only be managed by a coordinated global response that reduces global emissions to a level that stabilizes their concentrations in the earth’s atmosphere. As such, the Act seeks to address the inadequacy of the current global regime to control climate change, the “Kyoto Protocol,” which excludes two key industrialized countries, the United States and Australia, and three significant developing countries, China, India, and Brazil. Currently, the Protocol only restricts the emissions of countries accounting for 32 percent of current global greenhouse gas emissions. It also addresses the inadequacy of U.S. diplomatic engagement in the global effort to construct a comprehensive and scientifically viable agreement to replace the Kyoto Protocol by establishing, as United States policy, the goal of obtaining mitigation commitments from all major greenhouse gas emitting countries under the institutional framework provided by the United Nations Framework Convention on Climate Change.

To reach this goal, the Act requires the United States to engage in a high-level diplomatic dialogue on climate change during 2007 and to develop a plan of action that will lead to the adoption of a new comprehensive international agreement that will come into force by the time that the Kyoto Protocol’s first commitment period ends in 2012. The act requires that any new comprehensive international agreement is scientifically viable and that it protects U.S. economic interests and competitiveness in all sectors. Responding to the IPCC consensus that concentrations of greenhouse gases in the Earth’s atmosphere must be stabilized to provide a reasonable chance of averting the most damaging impacts of climate change, the Act also requires the United States to seek international consensus on a target range for stabilizing greenhouse gases that reflects IPCC recommendations.

The Act provides for the authorization for energy export policy and assistance programs. Included are findings that recognize earlier pieces of legislation that support clean and renewable energy exports and how these provisions were largely not implemented due to a lack of Federal funding. The findings also recognize the importance of emerging markets, particularly India and China, in the global climate change challenge, and how the challenge of energy security severely affects developing countries. The findings

promote the need for export of clean energy technologies as well as appropriate policy frameworks to accept such technologies. It is also noted that both public and private sector capital will be needed to fulfill future demand.

The authorizations in this Act affect a number of different United States agencies and departments in an effort to promote greater utilization of clean and efficient energy technologies abroad, especially in emerging markets. One purpose of these authorizations is to create market demand and policy frameworks in developing countries so that there is greater acceptance of clean and efficient energy technologies. Another purpose is to leverage the ingenuity and innovation of United States companies by promoting greater exports of technologies that can lead to reduced greenhouse gas emissions.

This Act also establishes an “International Clean Energy Foundation” that focuses on reducing global greenhouse gas emissions. Using funds to promote projects outside of the United States, the foundation will showcase models of how to significantly reduce the emissions of global greenhouse gases through clean and efficient energy technologies by leveraging resources through partnerships with foreign governments, and domestic and foreign private actors.

HEARINGS

The Committee held two hearings directly related to the subject matter of the bill. The first, “Foreign Policy and National Security Implication of Oil Dependence,” took place on March 22, 2007. The second, “U.S. Re-Engagement in the Global Effort to Fight Climate Change,” took place on May 15, 2007.

COMMITTEE CONSIDERATION

On May 12, 2007, the Full Committee held a markup on H.R. 2420, the International Climate Cooperation Re-Engagement Act of 2007, and it was favorably reported to the House, as amended, by a recorded vote of 29–16.

In addition, the following action was taken on the bill during the markup:

- The Green en bloc amendment was agreed to by voice vote.
- The Jackson Lee en bloc amendment was agreed to by voice vote.
- The Manzullo substitute was defeated by a recorded vote of 18–27.

VOTES OF THE COMMITTEE

There were two recorded votes during the markup on H.R. 2420. One vote was to favorably report the bill to the House, as amended (passed 29–16):

Voting Yes: Lantos, Berman, Ackerman, Faleomavaega, Payne, Sherman, Wexler, Engel, Delahunt, Meeks, Watson, Smith (WA), Carnahan, Tanner, Green, Woolsey, Jackson Lee, Crowley, Wu, Miller, Sánchez, Scott, Costa, Sires, Giffords, Klein, Smith (NJ); Fortenberry, and Fortuño.

Voting No: Ros-Lehtinen, Burton, Rohrabacher, Manzullo, Royce, Chabot, Tancredo, Flake, Pence, Wilson, Boozman, Barrett, McCaul, Poe, Inglis, and Bilirakis.

In addition, there was a vote on the Manzullo amendment in the nature of a substitute (defeated 18–27):

Voting Yes: Ros-Lehtinen, Burton, Rohrabacher, Manzullo, Royce, Chabot, Tancredo, Flake, Pence, Wilson, Boozman, Barrett, Fortenberry, McCaul, Poe, Inglis, Fortuño, and Bilirakis.

Voting No: Lantos, Berman, Ackerman, Faleomavaega, Payne, Sherman, Wexler, Engel, Delahunt, Meeks, Watson, Smith (WA), Carnahan, Tanner, Green, Woolsey, Jackson Lee, Crowley, Wu, Miller, Sánchez, Scott, Costa, Sires, Giffords, Klein, and Smith (NJ).

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with Clause 3(c) (2) of House Rule XIII, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office, pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, H.R. 2420, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 8, 2007.

Hon. TOM LANTOS, *Chairman,*
Committee on Foreign Affairs,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2420, the International Climate Cooperation Re-engagement Act of 2007.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sunita D'Monte, who can be reached at 226–2840.

Sincerely,

PETER R. ORSZAG.

Enclosure

cc: Honorable Ileana Ros-Lehtinen
Ranking Member

H.R. 2420—International Climate Cooperation Re-engagement Act of 2007

SUMMARY

H.R. 2420 would authorize the appropriation of funds to develop and promote energy technologies that do not release greenhouse gases into the atmosphere. CBO estimates that implementing H.R. 2420 would cost \$37 million in 2008 and \$772 million over the 2008–2012 period, assuming appropriation of the specified and estimated amounts. While the bill would allow the International Clean Energy Foundation to receive and spend gifts and donations, CBO estimates that H.R. 2420 would have no significant effect on direct spending and receipts.

H.R. 2420 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2420 is shown in the following table. The costs of this legislation fall within budget functions 150 (international affairs) and 370 (commerce and housing credit).

By Fiscal Year, in Millions of Dollars

	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION ^{1,2}					
Foreign Assistance					
Authorization Level	200	200	200	200	200
Estimated Outlays	20	100	152	177	187
International Clean Energy Foundation					
Authorization Level	20	20	20	20	20
Estimated Outlays	10	17	20	20	20
Interagency Working Group					
Authorization Level	5	5	5	5	5
Estimated Outlays	4	5	5	5	5
State Department Programs					
Estimated Authorization Level	3	3	3	3	3
Estimated Outlays	2	3	3	3	3
Commerce Department Programs					
Estimated Authorization Level	2	2	3	3	3
Estimated Outlays	1	2	2	2	2
Total Changes					
Estimated Authorization Level	230	230	231	231	231
Estimated Outlays	37	127	182	207	217

¹ The five-year costs in the text differ slightly from the sum of the annual costs shown here because of rounding.

² Enacting H.R. 2420 also could affect revenues and direct spending, but CBO estimates that any such effects would be less than \$500,000 a year.

BASIS OF ESTIMATE

For this estimate, CBO assumes that this legislation will be enacted near the start of fiscal year 2008, that the specified and estimated authorization amounts will be appropriated near the start of each fiscal year, and that outlays will follow historical spending patterns for existing and similar programs.

Spending Subject to Appropriation

H.R. 2420 would authorize the appropriation of an estimated \$230 million in 2008 and about \$1.2 billion over the 2008–2012 period to develop and promote methods to generate energy using solar technology, wind technology, geothermal technology, hydroelectric technology, and carbon-capture technology. CBO estimates that implementing H.R. 2420 would cost \$37 million in 2008 and \$772 million over the 2008–2012 period, assuming appropriation of the specified and estimated amounts.

Foreign Assistance. Section 202 would authorize the appropriation of \$200 million a year over the 2008–2012 period for the United States Agency for International Development (USAID) to provide aid to developing countries for the development of energy technologies that result in lower emissions of greenhouse gases than currently used technologies. Based on spending patterns for similar programs, CBO estimates that implementing this section would cost \$20 million in 2008 and \$636 million over the 2008–2012 period, assuming appropriation of the specified amounts.

International Clean Energy Foundation. Title III would establish a government corporation known as the International Clean Energy Foundation and authorize the appropriation of \$20 million a year over the 2008–2012 period. The foundation's primary goal would be to reduce global emissions of greenhouse gases through grant-making, promoting international collaboration, fostering alternative energy sources, and building a repository of best practices for future initiatives. The foundation would make annual reports to the Congress. CBO estimates that the foundation would spend \$10 million in 2008 and \$87 million over the 2008–2012 period, assuming appropriation of the specified amounts.

Interagency Working Group. Section 208 would authorize the appropriation of \$5 million a year for the 2008–2012 period for an interagency working group that would work to increase exports of alternative energy technologies. The working group would be composed of the Administrator for USAID, and the Secretaries of Commerce and Energy. CBO estimates that implementing this section would cost \$4 million in 2008 and \$24 million over the 2008–2012 period, assuming appropriation of the specified amounts.

State Department Programs. Section 207 would authorize the Secretary of State to establish a new exchange program to promote research and cooperation in the area of climate change, and would authorize the appropriation of \$3 million a year over the 2008–2012 period for the program. Section 103 would authorize the establishment of an office to address challenges posed by global climate change and promote reducing greenhouse gases. Since the department already has an Office of Global Climate Change, CBO estimates that the new responsibilities instituted under the bill would increase spending by less than \$500,000 a year, assuming

appropriation of the estimated amounts. Assuming appropriation of the specified and estimated amounts, CBO estimates these provisions would cost \$2 million in 2008 and \$16 million over the 2008–2012 period.

Commerce Department Programs. Other provisions of the bill would direct the International Trade Administration to develop or expand activities to promote the export of alternative energy technologies. Specifically, the bill would expand the United States and Foreign Commercial Service to undertake business development and outreach efforts in India and China and increase trade missions to and from the United States to present technologies under development or in use that could be exported to other countries. Based on information from the agency, CBO estimates that implementing these provisions of the bill would cost \$1 million in 2008 and \$9 million over the 2008–2012 period, assuming appropriation of the necessary amounts.

Direct Spending and Revenues

Section 302 would allow the International Clean Energy Foundation to accept and spend gifts and donations. Any gifts and donations to the foundation would increase governmental receipts. The spending of those receipts would increase direct spending, but CBO estimates this provision would have no significant effect on direct spending and receipts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2420 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PERFORMANCE GOALS AND OBJECTIVES

The Act is intended to direct the United States to re-engage in the global effort to construct a comprehensive and scientifically viable agreement to reduce global greenhouse gas emissions to a level by which their concentrations in the Earth's atmosphere might be stabilized. The goal of this mandate is to stave off the most severe impacts that the global rise in temperature will have on the Earth's ecosystems and human civilization.

Pursuant to clause (3)(c) of House rule XIII, upon enactment of this legislation, assistance programs should be adjusted to ensure greater focus on creating the market demand conditions to accept clean and efficient energy technologies and to promote exports of such technologies with the overall goal of lowering global greenhouse gas emissions.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d) (1) of rule XIII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in article I, section 8 of the Constitution.

NEW ADVISORY COMMITTEES

H.R. 2420 does not establish or authorize any new advisory committees; however, it does establish an “International Clean Energy Foundation” within the executive branch of the government.

CONGRESSIONAL ACCOUNTABILITY ACT

H.R. 2420 does not apply to the Legislative Branch.

EARMARK IDENTIFICATION

H.R. 2420 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

SECTION-BY-SECTION ANALYSIS AND DISCUSSION

Section 1. Short Title.

This section provides that the short title of the Act is the International Climate Cooperation Re-engagement Act of 2007.

Section 2. Definitions.

This section provides for definitions for use in the act.

TITLE I—UNITED STATES POLICY ON GLOBAL CLIMATE CHANGE

Section. 101. Congressional Findings.

This section contains findings that acknowledge the global scientific consensus, as established by the Intergovernmental Panel on Climate Change (IPCC) and confirmed by the National Academy of Sciences, that the continued build-up of anthropogenic greenhouse gases in the atmosphere has warmed the earth and the stability of the global climate is now threatened. These findings highlight the recent estimate of the IPCC that unmitigated greenhouse gas emissions could drive up global temperatures by as much as 11 degrees Fahrenheit by 2100. They also establish that climate change is already having significant impacts in certain regions of the world and on many ecosystems, with poor populations being the most vulnerable.

The findings establish that climate change is a global problem that can only be managed by a coordinated global response that reduces global emissions of greenhouse gases to a level that stabilizes their concentration in the Earth's atmosphere. They also determine that the United Nations Framework Convention on Climate Change provides a viable foundation to construct a global regime to combat global warming and manage its impacts; that the United States along with 189 other countries, is a party to the Convention; and that the Convention's stated objective is "to achieve stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system."

The findings lay out the history of the Kyoto Protocol to the United Nations Framework Convention that was adopted by the third Convention Conference of the Parties (COP-3) in December 1997, in Kyoto, Japan, which stipulated legally binding reductions in greenhouse gas emissions at an average of 5.2 percent below 1990 levels for industrialized countries, but did not stipulate binding reductions in greenhouse gas emissions for rapidly industrializing countries such as China, India, and Brazil. The findings recall that before negotiations were completed on mechanisms for implementing Kyoto Protocol commitments on greenhouse gas emissions, George W. Bush took office as President of the United

States, and in March 2001, announced opposition to continued negotiations over implementation of the Protocol, stating that the Protocol was “fatally flawed.”

The findings also recall the fact that President Bush unveiled an “alternative” strategy to the Kyoto Protocol for halting global warming on February 14, 2002, and that the President’s plan did not contain any international component to amend or supplant the Kyoto Protocol or any kind of blueprint for committing major developing economies such as China, India, and Brazil to reduce future greenhouse gas emissions. The findings explain that the President’s plan set a voluntary “greenhouse gas intensity” target for the United States that specified an 18 percent reduction in “emissions intensity” by 2012, a reduction that would allow actual emissions to increase by at least 12 percent over the same period. Further, the findings recall that on February 16, 2005, after Russia’s ratification, the Kyoto Protocol entered into force and its emissions targets became binding commitments for those industrialized countries that had ratified it. The findings also point out that because the United States and Australia did not ratify the Protocol, and because developing countries are not subject to its limits, the Protocol currently restricts only 32 percent of global greenhouse gas emissions.

The findings establish that the Kyoto protocol required that parties to it begin negotiating in 2005 toward a second round of commitments to begin after the expiration of the first emissions budget period in 2012, and that the eleventh Convention Conference of the Parties (COP-11) in November and December 2005 launched negotiations on a second round of commitments. The findings also highlight the fact that the COP-11 meeting initiated a dialogue or “parallel process” under the UN Framework Convention to engage the United States and developing countries on “future efforts.” Further, the findings recall that at the COP-12 meeting in November 2006 in Nairobi, Kenya, parties continued discussions on a second round of commitments under the Kyoto Protocol as a successor to the first commitment period (2008 through 2012) and, in the parallel process, discussed enhanced cooperation under the Convention that would engage countries that did not have commitments under the Protocol.

The findings also establish that in March 2007, in Brussels Belgium, the head of governments of the European Union committed its Member States to cut greenhouse gas emissions 20 percent below 1990 levels by 2020 and committed to move this target up to 30 percent if the United States and other major emitters joined the commitment. Further, the findings highlight the fact that on April 17, 2007, the United Nations Security Council held its first ever “open meeting” on the impact of climate change on international security wherein British Foreign Secretary Margaret Beckett, in her capacity as President of the Security Council, declared in her opening statement that the Council has a “security imperative” to tackle climate change because it can exacerbate problems that cause conflicts and because it threatens the entire planet. The findings point out that at that same Security Council meeting, United Nations Secretary-General Ban Ki-moon told the Council that “issues of energy and climate have implications for peace and security.”

The findings also establish that Working Group III of the IPCC met from April 30 through May 4, 2007, in Bangkok, Thailand to assess technologies and policies needed to avert dangerous climate change and to provide background for negotiations on a post-2012 climate change regime. The findings reveal that the report of the IPCC Working Group III concludes that by quickly adopting technological options that are available or are being developed, the global concentration of greenhouse gases in the atmosphere can be stabilized at 450 to 550 parts per million (ppm), and the IPCC scientists believe that such a ceiling might limit the global rise in temperatures to no more than 3.6 degrees Fahrenheit and avert impacts of escalating scale, scope, and costs, potentially including the destabilization of large polar ice sheets that could contribute to long-term, catastrophic sea level rise at higher temperatures.

The findings point out that at the Group of Eight (G-8) Summit scheduled to be held in Heiligendamm, Germany in June 2007, climate change and energy have been placed at the top of the policy agenda and that during the Summit, the G-8 is scheduled to have a dialogue with China, India, South Africa, Mexico, and Brazil on the issue.

Finally, the findings establish that the United Nations Secretary-General Ban Ki-moon has indicated that one of his top goals is to forge a more comprehensive agreement under the Convention to ensure there is no gap when the first commitment period under the Kyoto Protocol ends in 2012, and that in order to reach this goal, critical negotiations involving all of the major greenhouse gas emitters, along with the vulnerable countries, must be initiated immediately and be completed by 2009. The findings also recall that on May 1, 2007, the Secretary-General named three Special Envoys on Climate Change to assist in "consultations with Governments," and that the Secretary-General will host a "high-level meeting" on climate change at the United Nations General Assembly in September 2007 to give "political direction" to the thirteenth Convention Conference of the Parties (COP-13) to take place in December 2007 in Bali, Indonesia.

Section. 102. Congressional Statement of Policy.

This Section contains a Congressional declaration establishing the policy of the United States to be:

To promote U.S. and global security through leadership of the global effort to reduce and stabilize global greenhouse gas emissions and stabilize atmospheric concentration of such gases. The paragraph stipulates that as such, the U.S. will seek to obtain mitigation commitments from all major greenhouse gas emitting countries under the institutional framework provided by the United Nations Framework Convention on Climate Change (UNFCCC);

To facilitate progress in global negotiations toward a comprehensive agreement under the UNFCCC and in service of this goal, the United States, will, during the course of 2007, engage in high level dialogue on climate within the Group of 8 (G-8), with the European Union, with Japan and other industrialized countries, and with China, India, Brazil, and other major developing countries. The United States will also participate in the initiative of the Secretary General to build consensus among governments on enhanced international cooperation;

To participate more actively and constructively in the intergovernmental climate change process, including at the thirteenth Convention Conference of the Parties (COP-13) to take place in December 2007 in Bali, Indonesia. As such, at the COP-13 meeting, the United States will be represented by a high-level delegation composed of climate experts and career foreign service officers with extensive diplomatic experience, including in multi-lateral negotiations, headed by the Secretary of State, her Deputy or the Undersecretary for Global Affairs;

To engage in serious discussion of possible future commitments under the Convention. These discussions will seek to develop a plan of action and time-table with the goal of adopting a new international agreement under the Convention that stipulates commitments from all major greenhouse gas emitters, including the United States and other countries listed in Annex 1 to the Convention, China, India, and Brazil, at the fifteenth Convention Conference of the Parties (COP-15) meeting to take place in 2009. This process will seek to ensure that a new instrument will come into force by the time the first commitment period under the Kyoto Protocol ends in 2012;

To protect U.S. national and economic interests and United States competitiveness in all sectors by negotiating a new instrument under the Convention that is cost effective, comprehensive, flexible, and equitable. Such an agreement shall at a minimum:

- a. require binding mitigation commitments from all major emitting countries based on their level of development;
- b. provide for different forms of commitments including economy-wide emissions targets, policy based commitments, sectoral agreements and no-regrets targets;
- c. increase cooperation on low-carbon technologies and practices;
- d. target all greenhouse gases including sources, sinks, and reservoirs of greenhouse gases. This should expand the current scope of the Kyoto Protocol and Convention to sectors not covered such as, international aviation and maritime sectors;
- e. include mechanisms to harness market based solutions, building upon the joint implementation, clean development mechanism and international emissions trading developed under the Kyoto Protocol;
- f. include incentives for sustainable forestry management that reflect the value of avoided deforestation;
- g. address the need for adaptation, especially for the most vulnerable and poorest countries on the planet;
- h. consider the impact on United States industry and contain effective mechanisms to protect United States competitiveness; and
- i. include the perspectives and address the concerns of impacted indigenous and tribal populations; and

To seek international consensus on long-term objectives including a target range for stabilizing greenhouse gas concentrations. The target range should reflect the consensus recommendations of IPCC scientists, who believe that concentrations of greenhouse gases in

the earth's atmosphere must be stabilized to provide a reasonable chance of limiting the rise in global temperatures to a level that might avert the most damaging impacts of climate change.

Section 103. Office on Global Climate Change.

Subsection (a) provides for the establishment within the Department of State an Office on Global Climate Change.

Subsection (b) stipulates that the Head of the Office shall be the Ambassador-at-Large for Global Climate Change; that the Ambassador-at-Large shall be appointed by the President, by and with the advice and consent of the Senate.

Subsection (c) stipulates the duties of the Ambassador-at-Large to advance the goals of the United States with respect to reducing the emissions of global greenhouse gases and addressing the challenges posed by global climate change. This subsection also stipulates that the Ambassador shall be a principal advisor to the President and the Secretary of State on matters relating to climate change and shall make recommendations to the President and the Secretary of State on policies of the United States Government with respect to international cooperation on reducing the emission of global greenhouse gases and addressing the challenges posed by global climate change. Finally, the subsection stipulates that subject to the direction of the President and the Secretary of State, the Ambassador-at-Large is authorized to represent the United States in matters relating to global climate change in contacts with foreign governments, intergovernmental organizations, and specialized agencies of the United Nations, the Organization on Security, and other international organizations of which the United States is a member; and multilateral conferences and meetings relating to global climate change.

Subsection (d) directs the Secretary of State to provide the Ambassador-at-Large with such funds as may be necessary for the hiring of staff for the Office, the conduct of investigations by the Office, and for necessary travel to carry out the provisions of the section.

Subsection (e) requires that not later than September 1 of each year, the Secretary of State, with the assistance of the Ambassador-at-Large, shall prepare and submit to the appropriate congressional committees a report on the strategy, policies and actions of the United States for reducing the emissions of global greenhouse gases and addressing the challenges posed by global climate change.

TITLE II—ASSISTANCE TO PROMOTE CLEAN AND EFFICIENT ENERGY
TECHNOLOGIES IN FOREIGN COUNTRIES

Section 201. Congressional Findings.

This section contains Congressional findings.

Subsection (1) describes that the Energy Policy Act of 1992 contained several provisions that were designed to expand Federal programs that support renewable energy and energy efficient equipment exports to reduce greenhouse gas emissions but that only a few of the export-related provisions were carried out due to a lack of Federal funding by Congress in the years following enactment.

Subsection (2) describes Congressional effort to promote the creation of an Interagency Working Group that would support a Clean Energy Technology Exports Initiative. The Group would use the combined resources of various government agencies to promote export of clean energy technologies abroad. This Initiative also received low levels of funding and hence has not produced significant results.

Subsection (3) emphasizes the importance of inclusion of the emerging economies, such as China and India, as members in the International Energy Agency. This would strengthen the common interest of importers in encouraging transparent energy markets and in planning for supply disruptions. This would create a more inclusive environment for policy decisions, considering these two countries are thought to become the leading emitters of greenhouse gases in the coming decades.

Subsection (4) describes the challenges of energy security in developing countries, where over 1.6 billion people lack access to affordable energy services. In these nations, there are a number of challenges to providing clean and efficient energy. A lack of transparency and accountability results in a poor environment for investors, which stems private sector investment in clean energy. In addition, bilateral and multilateral lending institutions could provide greater incentives to companies investing in clean and efficient energy technologies by offering preferential financial services and instruments to companies who deal with these technologies. The social effects of energy insecurity take a tremendous toll on the poor and on women and children, who suffer disproportionately more. In addition, it has been shown that the inaccessibility of energy services can have an adverse impact on other development programs in education, health, agriculture, and the environment. Finally, a dependence on imported fuels leaves countries vulnerable to supply disruptions and economic shocks.

Subsection (5) emphasizes that large energy-consuming countries should provide sufficient incentives, investment climates, and appropriate policies to accept the implementation of the clean and efficient energy technologies.

Subsection (6) sums up the necessary investment in energy-supply infrastructure worldwide to meet the demand.

Subsection (7) emphasizes the point that both public and private sector capital will be required to fulfill future energy infrastructure demand and that there is an opportunity for both sectors to leverage each others resources to promote technologies, services, and processes that reduce greenhouse gas emissions.

Subsection (8) explains that the recent launch of the Asia Pacific Partnership on Clean Development and Climate by the United States Government was meant to accelerate the development and deployment of clean energy technologies. The major flaw in this Partnership, however, is that it does not require binding agreements on emissions reductions from any of the partner nations.

Section 202. United States Assistance for Developing Countries.

Subsection (a) establishes that the Administrator of the United States Agency for International Development shall support policies and programs in developing countries that promote clean and efficient energy technologies. This subsection further elaborates that

the purpose of this authorization is to produce the necessary market conditions for the private sector delivery of energy and environmental management services and to create an environment that is conducive to accepting clean and efficient energy technologies.

Subsection (b) requires an annual report to be submitted that describes what the United States Agency for International Development has done to implement subsection (a).

Subsection (c) authorizes \$200,000,000 to carry out this section and to be specifically allocated to the United States Agency for International Development for each of the fiscal years 2008 through 2012.

Section 203. United States Exports and Outreach Program for India and China, and Other Countries.

Subsection (a) states that the Secretary of Commerce shall direct the United States and Foreign Commercial Service to expand or create a group of the Foreign Commercial Service officers to promote United States exports in clean and efficient energy technologies and build the capacity of government officials, particularly in India and China, to become more familiar with the available technologies. The Committee understands that there is a lack of knowledge at the state, provincial, or local levels in India and China regarding clean and efficient energy technologies. This section seeks to address that challenge by appointing Foreign Commercial Service attachés, who have expertise in clean and efficient energy technologies from the United States, and directing them to concentrate on outreach efforts to India and China.

Subsection (b) requires that the Secretary of Commerce submit an annual report to on the implementation of this section for each of the fiscal years 2008 through 2012.

Subsection (c) specifies that to carry out this section, such sums as may be necessary are authorized to the Secretary of Commerce for each of the fiscal years 2008 through 2012.

Section 204. United States Trade Missions to Encourage Private Sector Trade and Investment.

Subsection (a) authorizes the Secretary of Commerce to direct the International Trade Administration to expand or create trade missions to and from the United States that would encourage private sector trade and investment in clean and efficient energy technologies.

Subsection (b) requires an annual report be submitted regarding the implementation of this section for each of the fiscal years 2008 through 2012.

Subsection (c) specifies that to carry out this section, such sums as may be necessary are authorized to the Secretary of Commerce for each of the fiscal years 2008 through 2012.

Section 205. Actions by Overseas Private Investment Corporation.

This section of the bill contains findings about the Overseas Private Investment Corporation (OPIC), as well as a Sense of Congress on how to promote greater involvement in clean energy technologies.

Subsection (a) makes two findings. First, it states that many of the emerging markets within which the OPIC supports projects

have immense energy needs and will require significant investment in the energy sector in the coming decades. Second, it states that the use, or lack of use, of clean and efficient energy technologies can have a dramatic effect on the rate of global greenhouse gas emissions from emerging markets in the coming decades. The Committee therefore drew the conclusion that there is an opportunity for OPIC to expand its facilities to promote greater investment in these technologies.

Subsection (b) expresses a Sense of Congress that OPIC should promote greater investment in clean and efficient energy technologies by proactively reaching out to United States companies interested in investing in countries that contribute significantly to global greenhouse gas emissions—giving favored treatment to the evaluation and awarding of projects that involve the investment or use of clean and efficient energy technologies; and providing greater flexibility in supporting projects that involve the investment or use of clean and efficient energy technologies.

Subsection (c) requires that the annual report submitted by OPIC include a description of the activities carried out to implement this section. If OPIC did not carry out activities to implement this section, the report must give an explanation.

Section 206. Actions by United States Trade and Development Agency.

This section of the bill contains an authorization of activities to be undertaken by the United States Trade and Development Agency.

Subsection (a) directs the Director of the Agency to establish policies that proactively seek opportunities to fund projects that involve the utilization of clean and efficient energy technologies, give preferential treatment to the evaluation and awarding of projects that involve the utilization of clean and efficient energy technologies, and recruit and retain individuals with appropriate expertise in clean, renewable, and efficient energy technologies. The intent of the Committee is to integrate within the Agency a greater level of expertise of, and importance for, clean and efficient energy technologies.

Subsection (b) requires that the annual report submitted by the President include a description of the activities carried out to implement this section.

Section 207. Global Climate Change Exchange Program.

The subsection (a) authorizes the Secretary of State to establish a program, called the “Global Climate Change Exchange Program,” to strengthen research, educational exchange, and international co-operation that would aim to reduce global greenhouse gas emissions and address the challenges posed by global climate change.

Subsection (b) describes the two key elements of the Program. First, the Program shall include the financing of studies, research, instruction, and other educational activities dedicated to reducing carbon emissions and addressing the challenge of global climate change. These activities can be carried out by United States citizens or foreign nationals in universities, governments, organizations, companies, or other institutions. The Committee’s intent is to allow flexibility in terms of the participants of the Program so

that those individuals who are best qualified to engage in the aforementioned activities for the purposes described in subsection (a) are selected. Second, the Program shall include the financing of visits and exchanges between the United States and other countries of individuals who focus on reducing greenhouse gas emissions and addressing the challenges posed by global climate change as a part of their profession or research. These individuals may include students, trainees, teachers, instructors, professors, researchers, and other persons who study, teach, and conduct research in subjects such as the physical sciences, environmental science, public policy, economics, urban planning, and other subjects.

Subsection (c) requires that an annual report be submitted by the Secretary of State on the implementation of this section for each of the fiscal years 2008 through 2012.

Subsection (d) authorizes \$3,000,000 to carry out this section and to be specifically allocated to the Secretary of State for each of the fiscal years 2008 through 2012.

Section 208. Interagency Working Group to Support a Clean Energy Technology Exports Initiative.

This section authorizes the President to provide assistance to the Interagency Working Group to support the Clean Energy Technology Exports Initiative. The intent of the Committee is to bolster the work currently being carried out by the Working Group for this Initiative.

Subsection (a) describes the three main purposes of the authorization. First, the assistance shall be provided to the Working Group to improve the ability of the United States to respond to international competition by leveraging the resources of many Federal departments and agencies effectively and efficiently and by raising policy issues that may hamper the export of United States clean energy technologies abroad. Second, the assistance would allow the Working Group to fulfill, as appropriate, the mission and objectives as described in the report entitled, "Five-Year Strategic Plan of the Clean Energy Technology Exports Initiative," which was submitted to Congress in October 2002. Third, the authorization calls for the President to raise the importance and level of oversight of the Working Group to the heads of the Federal departments and agencies who are currently participating in the Initiative. The Committee believes that this Initiative has suffered from a lack of funding and significance in the interagency process. Therefore, this authorization seeks rectify both deficiencies in order to create a more effective Interagency Working Group to address the objectives as described by subsection (a).

Subsection (b) requires that an annual report be submitted jointly by the Administrator of the United States Agency for International Development, the Secretary of Commerce, and the Secretary of Energy on the implementation of this section for each of the fiscal years 2008 through 2012.

Subsection (c) authorizes \$5,000,000 to carry out this section for each of the fiscal years 2008 through 2012.

TITLE III—INTERNATIONAL CLEAN ENERGY FOUNDATION

This title establishes an "International Clean Energy Foundation" that focuses on reducing global greenhouse gas emissions by

using funds to promote projects outside of the United States that serve as models of how to significantly reduce the emissions of global greenhouse gases through clean and efficient energy technologies, processes and services and by leveraging resources through partnerships with foreign governments, and domestic and foreign private actors.

Section 301. Definitions.

This section describes definitions of the terms to be used in Title III of this Act.

Section 302. Establishment and Management of Foundation.

This section provides for the establishment and management functions of the Foundation.

Subsection (a) establishes the “International Clean Energy Foundation” within the executive branch of the government as a government corporation. The Foundation shall be governed by a Board of Directors, which will be chaired by the Secretary of State. The intent of the Committee is that this Foundation will serve the long-term foreign policy and energy security goals of reducing global greenhouse gas emissions.

Subsection (b) establishes the position of Chief Executive Officer (CEO) to be responsible for the management of the Foundation. The CEO shall be appointed by the Board and must be a recognized and credible leader in clean and efficient energy technologies and climate change issues. It is the intent of the Committee that the person appointed by the Board and confirmed with the advice and consent of the United States Senate has significant experience in the fields of energy security, business, or foreign policy. The CEO shall report to, and be under the direct authority of, the Board and have the relevant compensation and rank. This subsection further specifies that the CEO shall be responsible for the management of the Foundation, exercising the powers and discharging the duties of the Foundation and shall appoint all officers of the Foundation, having consulted and received approval from the Board.

Subsection (c) establishes the Board of Directors and specifies the duties, membership, and other terms of the Board. The Board shall perform the functions specified in this title and may prescribe, amend, and repeal bylaws, rules, regulations, and procedures that specify how the Foundation operates and exercises its power. The members of the board are to include the Secretary of State (or the Secretary’s designee), the Secretary of Energy (or the Secretary’s designee), the Administrator of the United States Agency for International Development (or the Administrator’s designee), and four other individuals with relevant experience in energy security who shall be appointed by the President, by and with the advice and consent of the Senate, and among a list of individuals submitted by the majority and minority leaders of the House and Senate. The CEO shall serve as a nonvoting, ex-officio member of the Board. This subsection further specifies the other structures of the Board, including the terms and the procedures to fill vacancies. In addition, the Board shall be chaired by the Secretary of State (or the Secretary’s designee) and a quorum is constituted by a majority of the members of the Board. Finally, this subsection describes how

often the Board shall meet and the compensation for the members of the Board.

Section 303. Duties of Foundation.

This section describes the five major duties of the Foundation.

First, the Foundation shall use the funds authorized by this title to make grants to promote projects outside of the United States that serve as models of how to significantly reduce the emissions of global greenhouse gases through clean and efficient energy technologies, processes, and services.

Second, the Foundation shall seek contributions from foreign governments, especially those rich in energy resources (such as member countries of the Organization of the Petroleum Exporting Countries), and private organizations, to supplement funds made available under this title.

Third, the Foundation shall harness global expertise through collaborative partnerships with foreign governments and domestic and foreign private actors, including non-governmental organizations and private sector companies, by leveraging public and private capital, technology, expertise, and services towards innovative models that can be instituted to reduce global greenhouse gas emissions.

Fourth, the Foundation shall create a repository of information on best practices and lessons learned on the utilization and implementation of clean and efficient energy technologies and processes to be used for future initiatives to tackle the climate change crisis.

Fifth, the Foundation shall be committed to minimizing administrative costs and to maximizing the availability of funds for grants under this title.

The Committee believes that through the use of relatively small amounts of seed capital, the Foundation will be able to leverage the resources and technology of public and private partners around the world to develop models of how clean and efficient energy technologies can be used to reduce greenhouse gas emissions. The Committee believes that the Foundation can provide a variety of functions to facilitate the creation of these partnerships and to act as a clearinghouse or matchmaker for innovative ideas and models utilizing clean and efficient energy technologies. The Committee believes there is a largely untapped global demand for both clean and efficient energy technologies and the markets within which such technologies can be used. It is, therefore, the intent of the Committee to establish the Foundation to bring together public and private actors who have an interest in reducing global greenhouse gas emissions to find ways in which this global demand can be met.

Section 304. Annual Report.

The subsection (a) requires that the Foundation submit an annual report on the policies and activities undertaken during the prior fiscal year to implement this title.

The subsection (b) specifies that the Report include the total financial resources available to the Foundation during the year, including appropriated funds and the value and source of any gifts or donations accepted; a description of the Board's policy priorities for the year and the basis upon which competitive grant proposals were solicited and awarded to nongovernmental institutions and other organizations; a list of grants made to nongovernmental insti-

tutions and other organizations that includes the identity of the institutional recipient, the dollar amount, and the results of the program; and the total administrative and operating expenses of the Foundation for the year.

Section 305. Powers of the Foundation; Related Provisions.

This section of the Act describes the Powers of the Foundation and other related provisions.

The subsection (a) establishes the Powers of the Foundation. The Powers include the Foundation having perpetual succession; making and performing contract, grants and other agreements, determining and prescribing the manner in which its obligations are incurred and expenses paid; accepting funds, services, and property made available by gift, grant, or otherwise from domestic or foreign private individuals, charities, nongovernmental organizations, corporations, or governments; contracting with individuals for personal services; and other powers as may be necessary to carry out this title. It is the intent of the Committee that the Foundation is given such Powers as may be necessary to accept funds, technology, services, or other resources from public and private sources in order to carry out the duties of the Foundation.

The subsection (b) specifies that the the Foundation shall maintain its principal office in the metropolitan area of Washington, District of Columbia.

The subsection (c) describes the applicability of Government Corporation Control Act.

The subsection (d) establishes that the Inspector General of the Department of State shall serve as Inspector General of the Foundation, and may conduct reviews, investigations, and inspections of all aspects of the operations and activities of the Foundation. The Inspector General shall report to and be under the general supervision of the Board. The Foundation shall reimburse the Department of State for all expenses incurred by the Inspector General in connection with the Inspector General's responsibilities under this subsection. The subsection further specifies that of the amount authorized to be appropriated for a fiscal year for the Foundation, up to \$500,000 can be used by the Inspector General of the Department of State to conduct reviews, investigations, and inspections of operations and activities of the Foundation.

Section 306. General Personnel Authorities.

This section of the Act specifies the personnel assignment, rights, hiring and pay practices for the Foundation.

The subsection (a) establishes the authority and process of temporarily requesting an employee reassignment from another United States Government agency or department. Upon request of the CEO, the head of an agency may assign any employee of such agency to the Foundation on a reimbursable basis. For the purpose of preserving such employee's allowances, privileges, rights, seniority, and other benefits, any employee reassigned to the Foundation remains an employee of the agency from which he or she originates.

The subsection (b) describes the reemployment rights.

The subsection (c) describes the hiring authority of the Foundation. It specifies that of persons employed by the Foundation, no

more than 30 persons may be appointed, compensated, or removed without regard to the civil service laws and regulations.

The subsection (d) describes the basic pay principles and specifies how the CEO may fix the rate of basic pay of employees of the Foundation.

The subsection (e) describes the definitions used in this section of the bill.

Section 307. Authorization of Appropriations.

Subsection (a) authorizes \$20,000,000 to be appropriated to carry out this title for each of the fiscal years 2008 through 2012.

The subsection (b) stipulates that the Foundation may allocate or transfer to any agency of the United States Government any of the funds available for carrying out this title. Such funds shall be available for obligation and expenditure for the purposes for which the funds were authorized, in accordance with authority granted in this title or under authority governing the activities of the United States Government agency to which such funds are allocated or transferred. This subsection requires the Foundation to notify the appropriate congressional committees at least 15 days prior to an allocation or transfer of funds in the case described above.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

TITLE 5, UNITED STATES CODE

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PART III—EMPLOYEES

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SUBPART D—PAY AND ALLOWANCES

* * * * *

CHAPTER 53—PAY RATES AND SYSTEMS

* * * * *

SUBCHAPTER II—EXECUTIVE SCHEDULE PAY RATES

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§ 5314. Positions at level III

Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Solicitor General of the United States.

* * * * *

Chief Executive Officer, International Clean Energy Foundation.

* * * * *

TITLE 31, UNITED STATES CODE

* * * * *

Subtitle VI—Miscellaneous

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CHAPTER 91—GOVERNMENT CORPORATIONS

* * * * *

§ 9101. Definitions

In this chapter—

(1) * * *

* * * * *

(3) “wholly owned Government corporation” means—

(A) * * *

* * * * *

(R) *the International Clean Energy Foundation.*

* * * * *

DISSENTING VIEWS

H.R. 2420 seeks to reduce global climate change by, among other things, adding approximately \$1.14 billion in new spending over Fiscal Years 2008–2012 and increasing the size of government by creating a new office, a new foundation, a new educational exchange program and a new interagency working group.

We strongly support the goal of reducing greenhouse gases through sound policies that do not disadvantage America's overall competitiveness. However, it has not been shown that this bill's authorizations of new spending and creation of duplicative bureaucracies will either reduce greenhouse gases or promote clean energy exports. Moreover, this legislation does not address other forms of pollution, such as the lack of supply and access to clean water in many parts of the world, which may also be of immediate importance to our national interests.

Unfortunately, the Minority was not provided with adequate opportunity to offer constructive input during the drafting of this legislation. The manner in which the bill was moved through the Committee, with only one hearing and without any official input from the Administration, avoided the consideration and due diligence required for legislation that would purport to effectively address a challenge such as global warming.

It is worth noting as well that the House of Representatives had only just recently debated the Intelligence Authorization Act, which contained a provision mandating that the intelligence community use its resources to develop a National Intelligence Estimate on the issue of global warming. While concerns about using intelligence funds for that purpose were expressed during debate on that measure, the relevant provision was adopted by the House. In that context, the Minority had anticipated that the Majority would seek to first receive that assessment of the nature and extent of the problem, as well as the range of factors contributing to it and recommendations on how best to address these issues. Nevertheless, H.R. 2420 was marked up on May 23rd without further review beyond the one committee hearing held on May 15th, 2007.

Amendment in the Nature of a Substitute

Representative Donald Manzullo sponsored an amendment in the nature of a substitute to H.R. 2420 in an honest effort to improve the underlying legislation. Mr. Manzullo's proposed amendment would have broadened the focus of the bill to encompass all forms of global pollution, providing necessary emphasis to the dangers posed by global water pollution and food contamination. It would also have added Brazil to India and China as priority countries to be enlisted in fighting global pollution. The amendment retained key provisions from H.R. 2420, including trade promotion provisions, but it tasked the existing Trade Promotion Coordinating

Committee (TPCC), rather than the proposed Interagency Working Group, with the duty to promote exports. The TPCC is clearly a better alternative to the underlying bill's proposed Interagency Working Group, because it includes all the important stakeholders responsible for trade promotion, including the Export-Import Bank of the United States, the U.S. Trade Representative (USTR), and the Environmental Protection Agency (EPA).

The Manzullo amendment in the nature of a substitute does not create any additional bureaucracy, instead consolidating existing offices within the State Department's Bureau of Oceans and International Environment and Scientific Affairs (OES) into one office (Environmental Directorate) while elevating the head of this consolidated office to the rank of Ambassador-at-Large. The amendment would also have eliminated the bill's proposed International Clean Energy Foundation, since the Foundation would only duplicate much of the work already being carried out by the federal government and various international organizations.

Specific Concerns

Title I of the bill contains a provision that creates a new office within the U.S. Department of State to coordinate America's diplomatic initiatives to fight climate change. The creation of the Office on Global Climate Change in section 103 of Title 1 duplicates the current work of OES, in particular the existing Office of Global Climate Change that already has 20 employees. In fact, OES contains five offices that have jurisdiction over climate change and global environmental issues. Creating a new Office on Global Change as directed in section 103 is duplicative.

Provisions in Title II of the bill contain new authorizations for spending as well as policy directives that have not been proven to adequately reduce climate change. According to this legislation, the U.S. Agency for International Development (USAID) will be authorized \$1 billion over five years to assist developing countries to "create market conditions" for clean energy technology. The authors of H.R. 2420 have noted separately, however, that actual spending by USAID for those and similar efforts has already totaled between \$100 million and \$180 million annually in recent years.

The overall focus of Title II of the bill is too limiting. For example, by only including India and China as countries of particular concern regarding climate change, H.R. 2420 neglects to include significant contributors to greenhouse emissions such as Brazil. While the amendment successfully offered by Representative Gene Green of Texas rectified this problem somewhat, by granting discretion to the Secretary of Commerce to add countries as he sees fit, we must be certain that countries such as Brazil are included as a matter of sound policy. This legislation omits key executive branch agencies such as the Export-Import Bank, USTR, and EPA from the Interagency Working Group carrying out the task of promoting clean energy exports at a cost of \$25 million over five years. The bill's proposed Global Climate Change educational exchange program again duplicates ongoing programs already being carried out by the executive branch, but at a cost of \$15 million over five years.

Title III of H.R. 2420 proposes a new federally-supported organization titled as the International Clean Energy Foundation, which would duplicate the grant-making work of the State Department, USAID, and the United Nations. While creating the Foundation is an interesting idea worthy of examination, the duties assigned to this new entity are not new or unique. H.R. 2420 authorizes the Foundation at \$100 million over five years, and essentially guarantees that the Foundation will exist in perpetuity regardless of whether the authorizing legislation creating it is renewed.

Finally, the bill continues to miss the mark with regard to a Congressional statement of policy in Section 102(5)(A) requiring binding commitments on greenhouse gas emissions from all major emitting countries *based on their level of development* (emphasis added). This allows the largest polluters such as China, India, and Brazil to continue to escape binding commitments by claiming the status of developing countries despite the best intentions of the authors of H.R. 2420. It is worth recalling that the United States Senate voted 95–0 in 1997 against joining any convention that required the U.S. to cap emissions while giving a pass to large developing nations.

Conclusion

H.R. 2420 purports to address the critical issue of global climate change, but, as it is currently drafted, does not come forth with policies that will effectively do so. The amendment in the nature of a substitute offered by Representative Manzullo reflected the Minority's interest in crafting truly effective and sound policy to address all forms of pollution.

ILEANA ROS-LEHTINEN.
DONALD A. MANZULLO.
DAN BURTON.
ELTON GALLEGLY.
EDWARD R. ROYCE.
STEVE CHABOT.
THOMAS G. TANCREDO.
JOE WILSON.
JOHN BOOZMAN.
J. GRESHAM BARRETT.
CONNIE MACK.
TED POE.
MICHAEL T. MCCAUL.
BOB INGLIS.
LUIS G. FORTUÑO.
GUS M. BILIRAKIS.

