

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 2454
OFFERED BY MS. BALDWIN**

Insert after subtitle F of title II the following new subtitle:

1 **Subtitle G—Product Carbon**
2 **Labeling Program**

3 **SEC. 271. PRODUCT CARBON DISCLOSURE PROGRAM.**

4 (a) EPA STUDY.—The Administrator of the Environ-
5 mental Protection Agency shall conduct a study to deter-
6 mine the feasibility of establishing a national program for
7 measuring, reporting, publicly disclosing, and labeling
8 products or materials sold in the United States for their
9 carbon content, and shall, not later than 18 months after
10 the date of enactment of this Act, transmit a report to
11 Congress which shall include the following:

12 (1) A determination of whether a national prod-
13 uct carbon disclosure program and labeling program
14 would be effective in achieving the intended goals of
15 achieving greenhouse gas reductions and an exam-
16 ination of existing programs globally and their
17 strengths and weaknesses.

1 (2) Criteria for identifying and prioritizing sec-
2 tors and products and processes that should be cov-
3 ered in such program or programs.

4 (3) An identification of products, processes, or
5 sectors whose inclusion could have a substantial car-
6 bon impact (prioritizing industrial products such as
7 iron and steel, aluminum, cement, chemicals, and
8 paper products, and also including food, beverage,
9 hygiene, cleaning, household cleaners, construction,
10 metals, clothing, semiconductor, consumer elec-
11 tronics).

12 (4) Suggested methodology and protocols for
13 measuring the carbon content of the products across
14 the entire carbon lifecycle of such products for use
15 in a carbon disclosure program and labeling pro-
16 gram.

17 (5) A review of existing greenhouse gas product
18 accounting standards, methodologies, and practices
19 including, the Greenhouse Gas Protocol, ISO 14040/
20 44, ISO 14067, and Publically Available Standard
21 2050, and including a review of the strengths and
22 weaknesses of each.

23 (6) A survey of secondary databases including
24 the Manufacturing Energy Consumption Survey and
25 evaluate the quality of data for use in a product car-

1 bon disclosure program and product carbon labeling
2 program and an identification of gaps in the data
3 relative to the potential purposes of a national prod-
4 uct carbon disclosure program and product carbon
5 labeling program and development of recommenda-
6 tions for addressing these data gaps.

7 (7) An assessment of the utility of comparing
8 products and the appropriateness of product carbon
9 standards.

10 (8) An evaluation of the information needed on
11 a label for clear and accurate communication, in-
12 cluding what pieces of quantitative and qualitative
13 information needs to be disclosed.

14 (9) An evaluation of the appropriate boundaries
15 of the carbon lifecycle analysis for different sectors
16 and products.

17 (10) An analysis of whether default values
18 should be developed for products whose producer
19 does not participate in the program or does not have
20 data to support a disclosure or label and determine
21 best ways to develop such default values.

22 (11) A recommendation of certification and
23 verification options necessary to assure the quality
24 of the information and avoid greenwashing or the

1 use of insubstantial or meaningless environmental
2 claims to promote a product.

3 (12) An assessment of options for educating
4 consumers about product carbon content and the
5 product carbon disclosure program and product car-
6 bon labeling program.

7 (13) An analysis of the costs and timelines as-
8 sociated with establishing a national product carbon
9 disclosure program and product carbon labeling pro-
10 gram, including options for a phased approach.
11 Costs should include those for businesses associated
12 with the measurement of carbon footprints and
13 those associated with creating a product carbon label
14 and managing and operating a product carbon label-
15 ing program, and options for minimizing these costs.

16 (14) An evaluation of incentives (such as finan-
17 cial incentives, brand reputation, and brand loyalty)
18 to determine whether reductions in emissions can be
19 accelerated through encouraging more efficient man-
20 ufacturing or by encouraging preferences for lower-
21 emissions products to substitute for higher-emissions
22 products whose level of performance is no better.

23 (b) DEVELOPMENT OF NATIONAL CARBON DISCLO-
24 SURE PROGRAM.—Upon conclusion of the study, and not
25 more than 36 months after the date of enactment of this

1 Act, the Administrator shall establish a national product
2 carbon disclosure program, participation in which shall be
3 voluntary, and which may involve a product carbon label
4 with broad applicability to the wholesale and consumer
5 markets to enable and encourage knowledge about carbon
6 content by producers and consumers and to inform efforts
7 to reduce energy consumption (carbon dioxide equivalent
8 emissions) nationwide. In developing such a program, the
9 Administrator shall—

10 (1) consider the results of the study conducted
11 under subsection (a);

12 (2) consider existing and planned programs and
13 proposals and measurement standards (including the
14 Publicly Available Standard 2050, standards to be
15 developed by the World Resource Institute/World
16 Business Council for Sustainable Development, the
17 International Standards Organization, and the bill
18 AB19 pending in the California legislature);

19 (3) consider the compatibility of a national
20 product carbon disclosure program with existing pro-
21 grams;

22 (4) utilize incentives and other means to spur
23 the adoption of product carbon disclosure and prod-
24 uct carbon labeling;

- 1 (5) develop protocols and parameters for a
2 product carbon disclosure program, including a
3 methodology and formula for assessing, verifying,
4 and potentially labeling a product's greenhouse gas
5 content, and for data quality requirements to allow
6 for product comparison;
- 7 (6) create a means to—
- 8 (A) document best practices;
- 9 (B) ensure clarity and consistency;
- 10 (C) work with suppliers, manufacturers,
11 and retailers to encourage participation;
- 12 (D) ensure that protocols are consistent
13 and comparable across like products; and
- 14 (E) evaluate the effectiveness of the pro-
15 gram;
- 16 (7) make publicly available information on
17 product carbon content to ensure transparency;
- 18 (8) provide for public outreach, including a con-
19 sumer education program to increase awareness;
- 20 (9) develop training and education programs to
21 help businesses learn how to measure and commu-
22 nicate their carbon footprint and easy tools and tem-
23 plates for businesses to use to reduce cost and time
24 to measure their products' carbon lifecycle;

1 (10) consult with the Secretary of Energy, the
2 Secretary of Commerce, the Federal Trade Commis-
3 sion, and other Federal agencies, as necessary;

4 (11) gather input from stakeholders through
5 consultations, public workshops or hearings with
6 representatives of consumer product manufacturers,
7 consumer groups, and environmental groups;

8 (12) utilize systems for verification and product
9 certification that will ensure that claims manufactur-
10 ers make about their products are valid;

11 (13) create a process for reviewing the accuracy
12 of product carbon label information and protecting
13 the product carbon label in the case of a change in
14 the product's energy source, supply chain, ingredi-
15 ents, or other factors, and specify the frequency to
16 which data should be updated; and

17 (14) develop a standardized, easily understand-
18 able carbon label, if appropriate, and create a proc-
19 ess for responding to inaccuracies and misuses of
20 such a label.

21 (c) REPORT TO CONGRESS.—Not later than 5 years
22 after the program is established pursuant to subsection
23 (b), the Administrator shall report to Congress on the ef-
24 fectiveness and impact of the program, the level of vol-

1 untary participation, and any recommendations for addi-
2 tional measures.

3 (d) DEFINITIONS.—As used in this section—

4 (1) the term “carbon content” means the
5 amount of greenhouse gas emissions and their
6 warming impact on the atmosphere expressed in car-
7 bon dioxide equivalent associated with a product’s
8 value chain;

9 (2) the term “carbon footprint” means the level
10 of greenhouse gas emissions produced by a par-
11 ticular activity, service, or entity; and

12 (3) the term “carbon lifecycle” means the
13 greenhouse gas emissions that are released as part
14 of the processes of creating, producing, processing or
15 manufacturing, modifying, transporting, distrib-
16 uting, storing, using, recycling, or disposing of goods
17 and services.

18 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
19 authorized to be appropriated to the Administrator of the
20 Environmental Protection Agency \$5,000,000 for the
21 study required by subsection (a) and \$25,000,000 for each
22 of fiscal years 2010 through 2025 for the program re-
23 quired under subsection (b).

In the table of contents in section 1(b), insert after the items relating subtitle F of title II the following new items:

Subtitle G—Product Carbon Labeling Program

Sec. 271. Product carbon labeling program.

