Environment and Trade

Domestic

Apply cap to US producers and reduce emissions
Report verified emission reduction in first year

President notifies foreign countries of projected US caps. Above assumes 3 years to develop domestic regulations for entire cap and trade program

Negotiations ongoing with foreign countries to achieve agreement on comparable action

Imports

International Requirement Applies

Measure and verify emission reduction in first year
Commission determines comparable action
Allowance requirement applies to US importers of covered goods

(End Year 5) Commission determination to increase stringency, other action

* These international efforts ensure compliance with the WTO requirement of good-faith negotiations before imposing trade measures