

111TH CONGRESS
1ST SESSION

H. R. 3543

To direct the Environmental Protection Agency to establish a product carbon disclosure program to facilitate carbon content labeling, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 9, 2009

Ms. BALDWIN introduced the following bill; which was referred to the
Committee on Energy and Commerce

A BILL

To direct the Environmental Protection Agency to establish a product carbon disclosure program to facilitate carbon content labeling, and for other purposes.

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

3 **SECTION 1. 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

1 the date of enactment of this Act, transmit a report to
2 Congress which shall include the following:

3 (1) A determination of whether a national prod-
4 uct carbon disclosure program and labeling program
5 would be effective in achieving the intended goals of
6 achieving greenhouse gas reductions and an exam-
7 ination of existing programs globally and their
8 strengths and weaknesses.

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

12 (3) An identification of products, processes, or
13 sectors whose inclusion could have a substantial car-
14 bon impact (prioritizing industrial products such as
15 iron and steel, aluminum, cement, chemicals, and
16 paper products, and also including food, beverage,
17 hygiene, cleaning, household cleaners, construction,
18 metals, clothing, semiconductor, and consumer elec-
19 tronics).

20 (4) Suggested methodology and protocols for
21 measuring the carbon content of the products across
22 the entire carbon lifecycle of such products for use
23 in a carbon disclosure program and labeling pro-
24 gram.

1 (5) A review of existing greenhouse gas product
2 accounting standards, methodologies, and practices
3 including the Greenhouse Gas Protocol, ISO 14040/
4 44, ISO 14067, and Publically Available Specifica-
5 tion 2050, and including a review of the strengths
6 and weaknesses of each.

7 (6) A survey of secondary databases including
8 the Manufacturing Energy Consumption Survey and
9 evaluate the quality of data for use in a product car-
10 bon disclosure program and product carbon labeling
11 program and an identification of gaps in the data
12 relative to the potential purposes of a national prod-
13 uct carbon disclosure program and product carbon
14 labeling program and development of recommenda-
15 tions for addressing these data gaps.

16 (7) An assessment of the utility of comparing
17 products and the appropriateness of product carbon
18 standards.

19 (8) An evaluation of the information needed on
20 a label for clear and accurate communication, in-
21 cluding what pieces of quantitative and qualitative
22 information needs to be disclosed.

23 (9) An evaluation of the appropriate boundaries
24 of the carbon lifecycle analysis for different sectors
25 and products.

1 (10) An analysis of whether default values
2 should be developed for products whose producer
3 does not participate in the program or does not have
4 data to support a disclosure or label and determine
5 best ways to develop such default values.

6 (11) A recommendation of certification and
7 verification options necessary to assure the quality
8 of the information and avoid greenwashing or the
9 use of insubstantial or meaningless environmental
10 claims to promote a product.

11 (12) An assessment of options for educating
12 consumers about product carbon content and the
13 product carbon disclosure program and product car-
14 bon labeling program.

15 (13) An analysis of the costs and timelines as-
16 sociated with establishing a national product carbon
17 disclosure program and product carbon labeling pro-
18 gram, including options for a phased approach.
19 Costs should include those for businesses associated
20 with the measurement of carbon footprints and
21 those associated with creating a product carbon label
22 and managing and operating a product carbon label-
23 ing program, and options for minimizing these costs.

24 (14) An evaluation of incentives (such as finan-
25 cial incentives, brand reputation, and brand loyalty)

1 to determine whether reductions in emissions can be
2 accelerated through encouraging more efficient man-
3 ufacturing or by encouraging preferences for lower-
4 emissions products to substitute for higher-emissions
5 products whose level of performance is no better.

6 (b) DEVELOPMENT OF NATIONAL CARBON DISCLO-
7 SURE PROGRAM.—Upon conclusion of the study, and not
8 more than 36 months after the date of enactment of this
9 Act, the Administrator shall establish a national product
10 carbon disclosure program, participation in which shall be
11 voluntary, and which may involve a product carbon label
12 with broad applicability to the wholesale and consumer
13 markets to enable and encourage knowledge about carbon
14 content by producers and consumers and to inform efforts
15 to reduce energy consumption (carbon dioxide equivalent
16 emissions) nationwide. In developing such a program, the
17 Administrator shall—

18 (1) consider the results of the study conducted
19 under subsection (a);

20 (2) consider existing and planned programs and
21 proposals and measurement standards (including the
22 Publicly Available Specification 2050, standards to
23 be developed by the World Resource Institute/World
24 Business Council for Sustainable Development, the

1 International Standards Organization, and the bill
2 AB19 pending in the California legislature);

3 (3) consider the compatibility of a national
4 product carbon disclosure program with existing pro-
5 grams;

6 (4) utilize incentives and other means to spur
7 the adoption of product carbon disclosure and prod-
8 uct carbon labeling;

9 (5) develop protocols and parameters for a
10 product carbon disclosure program, including a
11 methodology and formula for assessing, verifying,
12 and potentially labeling a product's greenhouse gas
13 content, and for data quality requirements to allow
14 for product comparison;

15 (6) create a means to—

16 (A) document best practices;

17 (B) ensure clarity and consistency;

18 (C) work with suppliers, manufacturers,
19 and retailers to encourage participation;

20 (D) ensure that protocols are consistent
21 and comparable across like products; and

22 (E) evaluate the effectiveness of the pro-
23 gram;

24 (7) make publicly available information on
25 product carbon content to ensure transparency;

1 (8) provide for public outreach, including a con-
2 sumer education program to increase awareness;

3 (9) develop training and education programs to
4 help businesses learn how to measure and commu-
5 nicate their carbon footprint and easy tools and tem-
6 plates for businesses to use to reduce cost and time
7 to measure their products' carbon lifecycle;

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

11 (11) gather input from stakeholders through
12 consultations, public workshops or hearings with
13 representatives of consumer product manufacturers,
14 consumer groups, and environmental groups;

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

18 (13) create a process for reviewing the accuracy
19 of product carbon label information and protecting
20 the product carbon label in the case of a change in
21 the product's energy source, supply chain, ingredi-
22 ents, or other factors, and specify the frequency to
23 which data should be updated; and

24 (14) develop a standardized, easily understand-
25 able carbon label, if appropriate, and create a proc-

1 ess for responding to inaccuracies and misuses of
2 such a label.

3 (c) REPORT TO CONGRESS.—Not later than 5 years
4 after the program is established pursuant to subsection
5 (b), the Administrator shall report to Congress on the ef-
6 fectiveness and impact of the program, the level of vol-
7 untary participation, and any recommendations for addi-
8 tional measures.

9 (d) DEFINITIONS.—As used in this Act—

10 (1) the term “carbon content” means the
11 amount of greenhouse gas emissions and their
12 warming impact on the atmosphere expressed in car-
13 bon dioxide equivalent associated with a product’s
14 value chain;

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

18 (3) the term “carbon lifecycle” means the
19 greenhouse gas emissions that are released as part
20 of the processes of creating, producing, processing or
21 manufacturing, modifying, transporting, distrib-
22 uting, storing, using, recycling, or disposing of goods
23 and services.

24 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
25 authorized to be appropriated to the Administrator

- 1 \$5,000,000 for the study required by subsection (a) and
- 2 \$25,000,000 for each of fiscal years 2010 through 2025
- 3 for the program required under subsection (b).

