

The [Washington Post](#) has some details about the Kerry-Graham-Lieberman proposal, along with some encouraging reports of endorsements by utilities and oil companies. (Those, of course, come with a price in terms of industry concessions.) Some key features:

\*The bill would take effect in 2013 and would cut U.S. greenhouse gas emissions 17% by 2020 and 80% by 2050 — with 2005 as the baseline. Not bad, but we really need 80% below *1990 levels* by 2050 instead.

\*Two-thirds of the auction revenue from allowances would be returned to consumers through local utilities. Note that this is different from cap-and-dividend, where the government directly returns revenues to consumers. In many cases, landlords rather than tenants will get the rebate.

\* State regulation of greenhouse gases will be preempted, along with EPA regulation under the Clean Air Act. It's not clear from the summary how broadly preemption will sweep beyond state cap-and-trade schemes.

\*The proposal will provide a hard price collar for the price of carbon, with both a ceiling and a floor. Not clear how the collar will be set or whether they can be adjusted if circumstances change.

I'm very much a believer that half a loaf is better than none, but we need to know more about the bill to be sure that there's at least 50% of the loaf here.