116TH CONGRESS
2D SESSION **H. R. 7399**

To require the Administrator of the Environmental Protection Agency to
conduct a feasibility study regarding the use of the shadow price of
carbon in Federal spending decisions to take into account the resulting
carbon dioxide emissions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 2020

Mr. BEYER (for himself and Mr. CONNOLLY) introduced the following bill;
which was referred to the Committee on Oversight and Reform

A BILL

To require the Administrator of the Environmental Protec-
tion Agency to conduct a feasibility study regarding the
use of the shadow price of carbon in Federal spending
decisions to take into account the resulting carbon diox-
ide emissions, 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. SHORT TITLE.**

4   This Act may be cited as the "Smarter Purchasing

5 Act".

1 **SEC. 2. FEASIBILITY STUDY REGARDING THE USE OF THE**

2   **SHADOW PRICE OF CARBON IN FEDERAL**

3   **SPENDING DECISIONS TO TAKE INTO AC-**

4   **COUNT THE RESULTING CARBON DIOXIDE**

5   **EMISSIONS.**

6   (a) IN GENERAL.—The Administrator of the Envi-

7 ronmental Protection Agency, in consultation with the

8 Secretary of Energy, the Secretary of the Interior, the

9 Secretary of Transportation, and the Administrator of the

10 General Services Administration, shall conduct a study to

11 determine whether it is feasible for Federal agencies to

12 factor in the shadow price of carbon in their internal deci-

13 sion-making processes for Federal procurement, acquisi-

14 tions, contracting, and other investments.

15   (b) CONTENT.—The feasibility study required by sub-

16 section (a) shall include the following:

17   (1) An assessment of—

18   (A) the use of the shadow price of carbon

19   in the private sector, in States, and in other

20   countries, as relevant; and

21   (B) the ability of Federal agencies to im-

22   plement similar use of the shadow price of car-

23   bon.

24   (2) An assessment of which kinds of Federal

25   expenditures and operations are best suited for

26   shadow pricing.

1   (3) An assessment of whether the shadow price

2   of carbon should be—

3   (A) tied to the social cost of carbon that

4   Federal agencies use to conduct regulatory

5   analyses of economically significant regulatory

6   actions;

7   (B) tied to a path that minimizes the cost

8   of achieving a long-term cumulative emissions

9   goal; or

10   (C) based on some other rationale.

11   (4) An identification and evaluation of any stat-

12   utory, regulatory, or other obstacle to the use of the

13   shadow price of carbon.

14   (c) FINAL REPORT.—Not later than 1 year after the

15 date of enactment of this Act, the Administrator of the

16 Environmental Protection Agency shall—

17   (1) prepare a final report on the results of the

18   feasibility study conducted under subsection (a); and

19   (2) submit to Congress the final report pre-

20   pared under paragraph (1) and any recommenda-

21   tions of the Administrator relating to such results.

22   (d) PUBLIC AVAILABILITY OF DATA.—The Adminis-

23 trator of the Environmental Protection Agency shall make

24 available to the public the final report prepared under sub-

25 section (c).

(e) DEFINITIONS.—In this Act:

(1) SHADOW PRICE OF CARBON.—The term "shadow price of carbon" means a hypothetical surcharge to market prices for goods or services that involve significant carbon dioxide emissions in their supply chain.

(2) SOCIAL COST OF CARBON.—The term "social cost of carbon" means the social cost of carbon as described in the technical support document entitled "Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866", published by the Interagency Working Group on Social Cost of Carbon, United States Government, in May 2013, revised in November 2013, or any successor or substantially related document, or any other estimate of the monetized damages associated with an incremental increase in carbon dioxide emissions in a given year.

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