



## **US-Wide Climate Economic Analysis: Key Findings**

- Carefully selected and designed sector-based GHG reduction policies can result in net positive outcomes for employment, income, and Gross Domestic Product.
- *Comprehensive approaches* that draw upon the best choices in all sectors, all levels of government, and all applicable policy instruments can attain GHG targets while minimizing costs and maximizing co-benefits.
- In the view of stakeholders, no single policy or tool can achieve the desired GHG reductions needed to meet GHG targets and simultaneously meet economic, energy and environmental objectives.
- State Climate Action Plans demonstrate that the specifics of policy design and implementation; i.e., stringency, coverage, timing, implementation tools, and other factors, can dramatically affect the performance of individual policies.
- Applying 23 policies recommended by state-stakeholders for climate, energy, transportation, and resource actions in all 50 states through combined federal, state and local approaches would yield national economic benefits.
- Most state stakeholder-recommended climate and energy actions will have net positive impacts to the economy and employment, but some, while substantially reducing GHGs, will have net negative impacts.
- Federal preemption of these state programs and policies could impede some of the nations' most cost-effective and job-creating actions.
- Federal, state and local jurisdictions must be partners to capture the efficiencies of comprehensive policy. The broadest jurisdictional reach rests with the states.
- Locally and regionally derived policies can be translated to action in all 50 states, but require a national framework for full implementation.
- The two most significant barriers to full implementation of climate and energy policies are adequate investment and authority at the program level.
- If caps and taxes are combined with appropriate sector-based policies and measures, their costs will be lower and their co-benefits will be higher.
- Auctions of allowances and taxes/fees in key sectors will have negative impacts on economic performance if funds are not recycled effectively. However, reinvestment to targeted support for consumers and key industries can significantly reverse these impacts.
- Emissions caps can provide certainty for achieving emissions reduction targets and can raise revenue.
- Policy strategies applicable to the next decade must be combined with longer-term policies to address future decades, and provide an important transition.