To direct the Secretary of Energy to establish a program to regulate the entry of fossil carbon into commerce in the United States to promote clean energy jobs and economic growth and avoid dangerous interference with the climate of the Earth, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. CANTWELL introduced the following bill; which was read twice and referred to the Committee on

A BILL

To direct the Secretary of Energy to establish a program to regulate the entry of fossil carbon into commerce in the United States to promote clean energy jobs and economic growth and avoid dangerous interference with the climate of the Earth, 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 “Carbon Limits and
5 Energy for America’s Renewal (CLEAR) Act of 2009”.
6 SEC. 2. FINDINGS.
7 Congress finds that—
(1) according to the Energy Information Administration, if no action is taken, global demand for oil, natural gas, and coal will likely rise by over 25 percent by 2030, exerting continual, upward pressure on fossil fuel prices;

(2) multiple independent scientific bodies (including the Intergovernmental Panel on Climate Change and the National Science Academies of Brazil, Canada, China, Germany, India, Italy, Japan, Russia, the United Kingdom, and the United States) have expressed high confidence that anthropogenic greenhouse gas emissions are a primary factor that has resulted in significant changes in Earth systems, including the observed—

(A) melting of polar ice caps and Arctic permafrost;

(B) acidification of the oceans of Earth;

and

(C) increases in average day- and night-time surface temperatures over land surfaces;

(3) while uncertainties still exist concerning the timing, extent, and regional impacts of climate change, the vast majority of scientists are confident that the warming trend will continue and intensify
in the absence of steadfast efforts to reduce global greenhouse gas emissions sharply by 2050;

(4) on April 17, 2009, the Environmental Protection Agency found that—

(A) greenhouse gases in the atmosphere threaten the public health and welfare of current and future generations within the meaning of the Clean Air Act (42 U.S.C. 7401 et seq.);

and

(B) the effects of climate change observed to date and projected to occur in the future include—

(i) more frequent and intense heat waves;

(ii) more severe wildfires;

(iii) degraded air quality;

(iv) more heavy downpours and flooding;

(v) increased drought;

(vi) greater sea level rise;

(vii) more intense storms;

(viii) harm to water resources;

(ix) harm to agriculture; and

(x) harm to wildlife and ecosystems;
(5) on June 16, 2009, the United States Global Change Research Program found that—

(A) as of that date, climate-related changes were observed in the United States (including the coastal waters of the United States) that resulted in impacts, including—

(i) increases in heavy downpours;

(ii) the rising of temperatures and sea levels;

(iii) the rapid retreat of glaciers;

(iv) the thawing of permafrost;

(v) the lengthening of growing seasons;

(vi) the lengthening of ice-free seasons in the ocean and on lakes and rivers;

(vii) earlier seasonal snowmelts; and

(viii) alterations in river flows; and

(B) the impacts described in subparagraph (A)—

(i) are projected to intensify and, if unabated, cause serious harm to—

(I) water resources;

(II) energy systems;

(III) agriculture;

(IV) ecosystems; and
(V) human health; and

(ii) will vary from region to region, although all regions of the United States will experience climate change impacts of increasing severity during the 21st century;

(6) climate change trends will cause trillions of dollars in economic dislocations, impact the livelihoods of tens of millions of people, and affect the well-being of all United States citizens (including the private property of the citizens), meaning that the costs of not addressing climate change will be significantly higher than the cost of a well-constructed greenhouse gas emission mitigation program;

(7) simplicity, transparency, and equity are hallmarks of the greenhouse gas emission reduction approach established under section 4(a)(1), which will—

(A) limit the quantity of fossil carbon that is allowed to enter the economy of the United States prior to the emission of fossil fuel-related combustion byproducts into the atmosphere;

(B) accommodate a very gradual initial decline in fossil carbon, that will—

(i) provide time for carbon-intensive industries to make investments in more ef-
ficient or alternative technologies and processes; and

(ii) minimize the overall costs to the economy of the United States;

(C) allow only the several thousand energy producing or importing firms operating in the United States to bid at monthly auctions to establish an accurate market-clearing price for each ton of fossil carbon entering the economy;

(D) refund \( \frac{3}{4} \) of all auction proceeds to each citizen of the United States each month on an equal, per capita basis, which will fully offset any energy price increases for most low- and middle-income families;

(E) direct the remaining auction proceeds described in subparagraph (D) to a dedicated trust that uses the normal congressional budget and appropriations process—

(i) to create new, family-wage clean energy jobs;

(ii) to fund clean energy research, development, and deployment activities;

(iii) to finance programs that equalize and compensate for any variances in do-
mestic regional impacts resulting from the carbon limits; and

(iv) to support a variety of other essential climate mitigation and adaptation efforts; and

(8) the principal benefits and advantages of the greenhouse gas emission reduction approach established under section 4(a)(1) include—

(A) the potential creation of 2,000,000 jobs in emerging and established energy industries through incentives for investment and deployment in new energy technologies and energy efficiency;

(B) the fact that energy and fuel technology decisions are left to the market;

(C) the economic efficiency achieved through the use of market-based auctions to determine least cost solutions to reduce carbon emissions;

(D) coverage of all fossil fuel carbon entering the United States economy, representing more than 80 percent of total United States greenhouse gas emissions;

(E) reasonable price certainty and lead time, which will allow private industry to invest
in new, less carbon-intensive and more efficient equipment and facilities;

(F) a significant reduction in the number of entities that would be regulated relative to a downstream approach;

(G) a carbon budget approach to emission reductions that avoids difficulties associated with the determination of historic emission levels for various industries, economic sectors, or countries;

(H) competitive advantages to downstream users that deploy, or have already deployed, clean energy technologies;

(I) robust incentives to encourage fossil carbon sequestration;

(J) protections to ensure that domestic manufacturers of energy-intensive commodities are not placed at a disadvantage relative to competitors operating in countries without carbon constraints;

(K) safeguards against market-distorting behavior that are achieved by—

(i) limiting auction participation to stakeholders in the upstream fossil fuel industry;
(ii) preventing windfall profits associated with the free allocation of emission allowances;

(iii) preventing carbon share hoarding or gaming through monthly auctions and the expiration of carbon shares after 2 years; and

(iv) prohibiting carbon shares to be tradable on secondary markets; and

(L) broad-based public support and acceptance, and long-term sustainability, due to—

(i) a lack of any element that benefits 1 industry, sector, region, or person over another industry, sector, region, or person; and

(ii) the fact that the greenhouse gas emission reduction approach would likely be largely revenue-neutral to—

(I) the Treasury of the United States;

(II) fossil fuel users, including energy intensive industries and electric power generators that may pass any increased input costs downstream; and
(III) the majority of consumers in the United States.

SEC. 3. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Environmental Protection Agency.

(2) CARBON REFUND PAYMENT.—The term “carbon refund payment” means, with respect to any month, a payment in an amount that is equal to the quotient obtained by dividing—

(A) the amount of auction proceeds transferred into the Carbon Refund Trust Fund for the month preceding such month; by

(B) the number of qualified individuals for the preceding month.

(3) CARBON REFUND TRUST FUND.—The term “Carbon Refund Trust Fund” means the Carbon Refund Trust Fund established by section 4(d).

(4) CARBON SHARE.—The term “carbon share” means the right to sell or otherwise place into commerce in the United States 1 ton of fossil carbon.

(5) CERT FUND.—The term “CERT Fund” means the Clean Energy Reinvestment Trust Fund established by section 6(a).
(6) **FIRST SELLER.**—The term “first seller” means an entity in the business of producing or importing fossil carbon or production process carbon, as determined by the Secretary.

(7) **FOSSIL CARBON.**—The term “fossil carbon” means—

(A) carbon in the form of a fossil fuel (such as coal, natural gas, and crude oil) in the raw state in which the fossil fuel exists at the time the fossil fuel is removed from the Earth; and

(B) the carbon content of imported refined fuel products (such as gasoline, diesel, and jet fuels) derived from a fossil fuel.

(8) **GREENHOUSE GAS.**—The term “greenhouse gas” means—

(A) carbon dioxide;

(B) methane;

(C) nitrous oxide;

(D) a hydrofluorocarbon;

(E) a perfluorocarbon;

(F) sulfur hexafluoride; and

(G) any other anthropogenically emitted gas that the Administrator, after notice and
comment, determines to contribute to climate change.

(9) POINT-OF-ENTRY.—

(A) IN GENERAL.—The term "point-of-entry" means, with respect to the economy of the United States, the point at which fossil carbon is introduced into commerce.

(B) INCLUSIONS.—The term "point-of-entry" includes—

(i) a wellhead;

(ii) a mine entrance; and

(iii) any port-of-entry, as determined by the Secretary.

(10) PRODUCTION PROCESS CARBON.—The term "production process carbon" means the quantity of fossil carbon used to manufacture an energy-intensive commodity.

(11) PROGRAM.—The term "program" means the fossil carbon limitation program established under section 4(a)(1).

(12) QUALIFIED INDIVIDUAL.—The term "qualified individual" means any individual who is a legal resident of the United States.

(13) RATE OF CAPITAL INVESTMENT RETURN.—The term "rate of capital investment re-
"turn" means an annual real rate of return on capital investment of 6 percent.

(14) **Rate of Inflation.**—The term “rate of inflation” means the annual rate increase of the price of goods and services, as measured by the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

(15) **Safety Valve Price.**—The term “safety valve price” means the maximum price per ton of carbon dioxide equivalent for any 1 calendar year established under section 4(a)(4).

(16) **Secretary.**—The term “Secretary” means the Secretary of Energy.

**SEC. 4. FOSSIL CARBON LIMITATION PROGRAM.**

(a) **Establishment.**—

(1) **In General.**—The Secretary shall by regulation establish within the Department of Energy a program to reduce the emission of greenhouse gases—

(A) by placing a gradually declining limitation on the quantity of fossil carbon permitted to be sold into commerce in the United States; and
(B) by requiring each first seller to sur-
render periodically to the Secretary a number of
carbon shares equal to the quantity of fossil
carbon that the first seller introduces into com-
merce by not later than 2 years after the date
on which the fossil carbon is introduced into
commerce.

(2) ANNUAL QUANTITY OF CARBON SHARES.—

(A) INITIAL QUANTITY.—

(i) IN GENERAL.—Not later than Jan-
uary 1, 2011, to carry out the program, in
accordance with clause (ii), the President,
in consultation with the Secretary and the
Administrator, shall establish and an-
nounce a maximum aggregate quantity of
fossil carbon, and a corresponding number
of carbon shares, permitted to be intro-
duced through points-of-entry for calendar
year 2012.

(ii) REQUIREMENT.—The maximum
aggregate quantity of carbon shares for
calendar year 2012 under clause (i) shall
equal the approximate level of fossil carbon
likely to be required by the economy of the
United States during calendar year 2012.
(B) Subsequent Quantities.—

(i) Calendar years 2013 and 2014.—For each of calendar years 2013 and 2014, the maximum aggregate quantity of carbon shares permitted to be introduced through points-of-entry shall be equal to the maximum aggregate quantity established under subparagraph (A)(i).

(ii) Calendar year 2015 and subsequent calendar years.—For calendar year 2015 and each calendar year thereafter, the maximum aggregate quantity of carbon shares shall be reduced from the quantity of the previous calendar year at a rate that—

(I) for calendar year 2015, is equal to 0.25 percent; and

(II) for each subsequent calendar year, increases by an additional 0.25 percent.

(C) Modification of Quantity of Carbon Shares Available.—Subject to paragraph (3), the President, in consultation with the Secretary and the Administrator, may in-
crease or decrease the number of carbon shares
available for an auction to respond to—

(i) changes in the scientific understand-
ing of climate change;

(ii) the need to stabilize atmospheric
greenhouse gas concentrations to avoid
dangerous interference with the climate of
the Earth;

(iii) any international obligations of
the United States, including any commit-
ment of the United States under the
United Nations Framework Convention on
Climate Change;

(iv) insufficient efforts by other major
greenhouse gas emitting countries to re-
duce greenhouse gas emissions;

(v) the need to maintain the inter-
national competitiveness of the United
States;

(vi) the quantity of carbon that has,
or is likely, to be permanently sequestered
from release into the atmosphere or ocean;
and

(vii) the need to provide a sufficient
price signal to ensure private sector invest-
ment in clean energy technology research, development, and deployment.

(3) EXPEDITED CONGRESSIONAL REVIEW.—

(A) DEFINITION OF JOINT RESOLUTION.—

In this paragraph, the term “joint resolution” means only a joint resolution introduced during the 30-day period beginning on the date on which the report referred to in subparagraph (B) is received by Congress (excluding days either House of Congress is adjourned for more than 3 days during a session of Congress), the matter after the resolving clause of which is as follows: “That Congress approves the modification of the number of shares available for auction described in the report required under section 4(a)(3)(B) of the CLEAR Act of 2009 submitted by the President to Congress on ________, and the modification shall take effect.” (The blank space being appropriately filled in).

(B) REPORT.—Before any modification of the number of shares available for auction take effect under paragraph (2)(C), the President shall submit to each House of Congress a report that provides a notice of the modification.
(C) APPROVAL.—The modification of the number of shares available for auction under paragraph (2)(C) shall take effect if Congress enacts a joint resolution of approval of the modification.

(D) PROCEDURE.—

(i) IN GENERAL.—Subject to clause (ii), the procedures described in subsections (b) through (g) of section 802 of title 5, United States Code, shall apply to the consideration of a joint resolution under this paragraph.

(ii) TERMS.—For purposes of this subparagraph—

(I) the reference to “section 801(a)(1)” in section 802(b)(2)(A) of that title shall be considered to refer to subparagraph (B); and

(II) the reference to “section 801(a)(1)(A)” in section 802(e)(2) of that title shall be considered to refer to subparagraph (B).

(4) AUCTION PRICE SAFEGUARDS.—

(A) CALENDAR YEAR 2012.—The carbon share price shall be limited in a manner to en-
sure that the corresponding price per ton of carbon dioxide equivalent for calendar year 2012 is—

(i) not less than $7; and

(ii) not more than $21.

(B) Subsequent calendar years.—For calendar year 2013 and each calendar year thereafter, the minimum and maximum allowable carbon share price shall increase by the aggregate rate obtained by adding—

(i) the rate of inflation; and

(ii) the rate of capital investment return.

(5) Penalty for noncompliance.—

(A) In general.—Any first seller that fails to surrender a sufficient number of carbon shares for the fossil carbon that the first seller introduced to the United States market by not later than 2 years after the date on which the fossil carbon is introduced into commerce shall be liable for payment to the Secretary of a penalty in the amount described in subparagraph (B).

(B) Amount.—The amount of a penalty required to be paid under subparagraph (A)
shall be equal to the product obtained by multi-
plying—

(i) the number of carbon shares that
the owner failed to surrender by the dead-
line; by

(ii) 5 times the carbon share price set
at an auction described in subsection (b),
the date of which is closest to that of the
sale of the fossil carbon subject to a non-
compliance penalty.

(C) TIMING.—A penalty required under
this paragraph shall be immediately due and
payable to the Secretary.

(D) NO EFFECT ON LIABILITY.—A penalty
due and payable by the owner of a covered enti-
ty under this paragraph shall not diminish the
liability of the owner for any fine, penalty, or
assessment against the owner for the same vio-
lation under any other provision of law.

(E) USE OF PENALTIES.—Any penalties
collected by the Secretary under this paragraph
shall be transferred to the CERT Fund.

(6) PRODUCTION PROCESS CARBON ADJUST-
MENT.—
(A) IN GENERAL.—Not later than January 1, 2013, the Secretary, in consultation with the Secretary of Commerce, the Secretary of the Treasury, and the United States Trade Representative, shall impose fees on individuals and entities for the production process carbon associated with commodities imported for sale in the United States.

(B) AMOUNT OF FEE.—To the maximum extent practicable, a fee described in subparagraph (A) shall be an amount commensurate with the carbon share value of the production process carbon that is the subject of the fee.

(C) APPLICABILITY.—A fee described in subparagraph (A) shall only apply to imported commodities if—

(i) the fee is compatible with the obligations of the United States with respect to any international trade agreement to which the United States is a party;

(ii) the country of origin of the imported commodities does not impose comparable limits on the fossil carbon use of the country of origin; and
(iii) domestic producers of comparable commodities would be demonstrably disadvantaged economically by the Program in the absence of the fees.

(D) USE OF FEES.—Any fees collected by the Secretary under this paragraph shall be transferred to the CERT Fund.

(b) AUCTIONS.—

(1) IN GENERAL.—Subject to paragraph (8), in carrying out the program, during each calendar year, the Secretary shall conduct monthly uniform price auctions of a portion of the carbon shares made available for the calendar year under subsection (a)(2).

(2) ELIGIBLE PARTICIPANTS.—First sellers shall be the only entities eligible to participate in an auction conducted under paragraph (1).

(3) RESERVE PRICE.—The minimum price of any carbon share purchased under an auction conducted under paragraph (1) shall be the minimum price for the corresponding calendar year specified in subsection (a)(4).

(4) SAFETY VALVE PRICE.—

(A) IN GENERAL.—Subject to subpara-
share purchased under an auction conducted
under paragraph (1) shall be the maximum
price for the corresponding calendar year specified in subsection (a)(4).

(B) SAFETY VALVE SHARES.—If the safety valve price is reached in any 1 auction conducted under paragraph (1), the number of available carbon shares may be increased to exceed the aggregate quantity described in subsection (a)(2) to ensure that all legal bids at the safety valve price can be accommodated for the 1 auction.

(C) SAFETY VALVE REVENUES.—Any revenue generated by the sale of a carbon share at the safety valve price that is in excess of the aggregate quantity described in subsection (a)(2) shall be—

(i) deposited in the CERT Fund; and

(ii) used only for the conduct of a program or initiative described in subparagraph (D) or (E) of section 6(c)(1).

(D) USE OF SAFETY VALVE CARBON SHARES.—A carbon share purchased at the safety valve price shall be redeemed by not later
than 90 days after the date on which the original purchaser purchased the carbon share.

(5) **Use of carbon shares.**—A carbon share purchased under an auction conducted under paragraph (1), or on an exchange described in paragraph (7)(A), may—

(A) only be redeemed by a first seller to the original carbon share holder during the 2-year period commencing on the date of issuance; and

(B) not be traded or sold on any secondary market.

(6) **Limitation of carbon share accumulation.**—No individual first seller may accumulate a quantity of carbon shares that, as determined by the Secretary—

(A) significantly exceeds the anticipated market needs of the individual first seller;

(B) allows for speculation or manipulation; or

(C) interferes with normal market competition.

(7) **Purchase or sale of carbon shares.**—

(A) **In general.**—A transaction other than an auction described in paragraph (1) that
involves the purchase or sale of a carbon share may be carried out only if—

(i) the carbon share is offered for sale to any eligible first seller on a dedicated public carbon share exchange established and administered by the Secretary for that purpose; and

(ii) all relevant transaction dates, carbon share quantities, and prices are made publically available.

(B) CERTAIN RECIPIENTS OF CARBON SHARES.—Recipients of carbon shares under subsection (c) shall be granted access to an exchange described in subparagraph (A) solely for the purpose of selling carbon shares to eligible first sellers.

(8) MODIFICATION OF AUCTION FREQUENCY.— The Secretary may modify the frequency of the uniform price auctions under paragraph (1) if the Secretary determines that the modification will significantly—

(A) improve the accuracy, predictability, and stability of the market-clearing auction price; or

(B) facilitate greater program efficiency.
(c) Reimbursement for Embedded and Sequestered Carbon.—The Secretary shall provide carbon shares that are in excess of the aggregate quantity established under subsection (a)(2) to each—

(1) operator of a carbon capture and storage facility, in a quantity that corresponds to the quantity of fossil carbon permanently sequestered by the carbon capture and storage facility; and

(2) manufacturer that embeds fossil carbon in the products of the manufacturer (in a manner that prevents the emission of the fossil carbon into the atmosphere), in a quantity that corresponds to the aggregate quantity of fossil carbon permanently embedded in the products.

(d) Carbon Refund Trust Fund.—

(1) In general.—There is established in the Treasury of the United States a trust fund to be known as the “Carbon Refund Trust Fund”, consisting of such amounts as may be appropriated to the trust fund under this subsection.

(2) Transfer of auction proceeds.—There are appropriated to the Carbon Refund Trust Fund, out of funds in the Treasury not otherwise appropriated, an amount equal to \( \frac{3}{4} \) of the proceeds from auctions conducted under subsection (b).
(3) EXPENDITURES FROM FUND.—Amounts in the Carbon Refund Trust Fund shall be available for the purpose of making carbon refund payments as provided in section 5.

SEC. 5. PER CAPITA DISTRIBUTION OF AUCTION PROCEEDS.

(a) IN GENERAL.—Every qualified individual is entitled to a carbon refund payment for each month beginning with the first month after such individual becomes a qualified individual and ending with the month such individual dies.

(b) ADMINISTRATION.—The Commissioner of Social Security, the Secretary of the Treasury, and the Secretary of Housing and Urban Development shall provide the Secretary such information as the Secretary requires for the purpose of distributing carbon refund payments under this section.

(c) FREQUENCY AND MODE OF ALLOCATION OF CARBON REFUND PAYMENTS.—The Secretary may modify the frequency or mode of allocation of carbon refund payments—

(1) to minimize administrative costs associated with the program; or

(2) to increase the value of refund payments.

(d) MONITORING; ANNUAL REPORTS.—
(1) MONITORING.—Effective beginning January 1, 2012, the Administrator of the Energy Information Administration shall, on a monthly basis, calculate and record the incremental contribution of carbon share prices to wholesale and retail fossil fuel prices.

(2) ANNUAL REPORTS.—Not later than June 1, 2013, and annually thereafter, the Administrator of the Energy Information Administration shall prepare and post on the website of the Energy Information Administration a report that contains, for the period covered by the report, the results of the monitoring carried out by the Administrator of the Energy Information Administration under paragraph (1).

SEC. 6. CLEAN ENERGY REINVESTMENT TRUST FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund, to be known as the “Clean Energy Reinvestment Trust Fund” or the “CERT Fund”, consisting of such amounts as are appropriated to the Fund under subsection (b).

(b) TRANSFERS TO FUND.—

(1) IN GENERAL.—There are appropriated to the CERT Fund, out of funds in the Treasury not otherwise appropriated, amounts equivalent to—
(A) ¼ of the proceeds from auctions conducted under section 4(b);
(B) the amount of penalties transferred to the CERT Fund under section 4(a)(5)(E); and
(C) the amount of fees transferred to the CERT Fund under section 4(a)(6)(D).

(2) INVESTMENT OF CORPUS.—Rules similar to the rules of section 9602(b) of the Internal Revenue Code of 1986 shall apply for purposes of this section.

(c) EXPENDITURES FROM FUND.—

(1) IN GENERAL.—To the extent that budget authority and appropriations are made available in advance and subject to paragraph (2), amounts in the CERT Fund shall be used to carry out programs and initiatives, provide incentives, and make grants—

(A) to provide targeted and region-specific transition assistance to workers, communities, industries, and small businesses of the United States experiencing the greatest economic dislocations due to efforts to reduce carbon emissions and address climate change and ocean acidification;
(B) to provide targeted and region-specific compensation for early retirement of carbon-intensive facilities, machinery, or related assets in the United States that are stranded by new market dynamics;

(C) to provide targeted relief to energy-intensive industries that export goods or products to countries that do not have similar restrictions on fossil carbon;

(D) to curtail the emission of—

(i) greenhouse gases other than carbon dioxide from fossil carbon; and

(ii) nongreenhouse gas substances that exacerbate or accelerate climate change (including black carbon);

(E) to fund cost-effective domestic and international projects that verifiably reduce, avoid, or sequester greenhouse gas emissions through the modification of agriculture, forestry, or other land use practices;

(F) to ensure sustained and robust investments in clean energy and fuels research, development, and deployment activities;
(G) to fund projects or initiatives that verifiably increase energy efficiency or energy productivity;

(H) to carry out weatherization and improve energy efficiency of low-income and public buildings;

(I) to provide funding for climate change mitigation and adaptation projects, activities, and research to increase the resilience of human populations and communities, fish and wildlife, and managed and unmanaged terrestrial, aquatic, and marine ecosystems;

(J) to fund cost-effective projects that provide adaptation services in areas and countries in which climate change or ocean acidification impacts are likely to be most severe; and

(K) to ensure that the program does not contribute to the budget deficit of the Federal Government.

(2) Use.—Amounts in the CERT Fund shall—

(A) only be used for the purposes described in paragraph (1);

(B) to the extent practicable, be awarded—

(i) on a competitive-bid basis; and
(ii) in accordance with applicable laws (including regulations) and procedures of existing Federal programs; and
(C) to the extent practicable, complement and leverage existing Federal programs, the scope and mission of which complement the purposes described in paragraph (1).

(d) TRANSFERS OF AMOUNTS.—

(1) IN GENERAL.—The amounts required to be transferred to the CERT Fund under this section shall be transferred at least monthly from the general fund of the Treasury to the CERT Fund on the basis of estimates made by the Secretary of the Treasury.

(2) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.