Clean Competition Act: U.S. Senator Sheldon Whitehouse (Rhode Island) Proposes Carbon Boarder Adjustment

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United States Senator Sheldon Whitehouse (RI) and U.S. House of Representative Suzan DelBene (WA) introduced legislation in the United States Senate titled:

The Clean Competition Act of 2025 ("Act").

The Act would:

- Impose a carbon boarder adjustment.
- Link to a new domestic industrial performance standard.
- Reinvest the revenues generated to assist United States manufacturers to further decarbonize.
- Assist developing countries to take similar steps.
- Establish a system of carbon clubs whose objective is to expand markets for the lowest carbon goods.

The stated concern driving the Act is the argument that global share has shifted from cleaner, low carbon economies (like the United States) to more emissions-intensive producers. This is stated to undermine climate progress and place cleaner firms at a competitive disadvantage.

Statistics cited by the sponsors include:

- On average, the United States economy is over 50% less carbon intensive than its trading partners.
- The Chinese economy is more than three times as carbon intensive as the U.S. economy.
- India and Russia are approximately four times and five times as carbon intensive.

The focus of the Act would be what are described as energy-intensive industries identified as:

- Oil.
- Gas.
- Coal.
- Refining.
- Petrochemicals.
- Fertilizer.
- Hydrogen.
- Adipic acid.
- Cement.
- Iron and steel.
- Aluminum.

- Glass.
- Pulp and paper.
- Ethanol.

The Act would require that:

- A baseline carbon intensity for each industry be determined and penalize excess emissions.
- Revenues would be raised by the carbon intensity charge and decarbonization would be reinvested through U.S. Department of Energy administered grants, loans, rebates, and contracts for difference to support the decarbonization of domestic industry.
- Establish carbon clubs to expand the global market for low-carbon goods with like-minded allies who agree to cooperate on industrial carbonization, and enforce carbon boarder measures of their own, and uphold labor and environmental standards.

A copy of the Act can be found here.