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National Conference of State Legislators Supports Passage of the Federal Digital Goods & Services Tax Fairness Act (Resolution) (Joint with Communications, Financial Services and Interstate Commerce)

WHEREAS, digital goods and services are online purchases that are downloaded directly by, or services that are provided electronically to, consumers that regularly transcend numerous state and local boundaries across the United States; and

WHEREAS, the exponential growth of digital commerce has demonstrated the importance of digital products to the American economy; and

WHEREAS, state policymakers recognize that the continued deployment of broadband infrastructure and adoption of broadband services is vital to economic growth and participation in the global economy; and

WHEREAS, digital goods and services are a major driver of the rapidly growing 21st Century digital economy and as such, fair and rational tax policies are needed that will not impede the continued growth of this segment of the economy; and

WHEREAS, state and local governments continue to seek to modernize their tax base to include various forms of digital commerce, doing so without establishing a national framework could potentially subject consumers to multiple states claiming the right to tax the same transaction or subject such transactions to discriminatory taxation at rates higher than the rates imposed on the in-state sales of similar goods or services; and

WHEREAS, establishing a national framework would clearly identify which state and local jurisdiction can tax a digital transaction, which providers are required to collect taxes, and allow state and local governments seeking to tax such goods and services to do so in a fair, uniform and rational manner; and

WHEREAS, the U.S. Supreme Court ruled in South Dakota v. Wayfair that businesses need not be physically present in a state before their sales can be taxed, granting states the ability to collect taxes from out-of-state retailers, and providing an opportunity for state tax modernization; and

WHEREAS, establishing a national framework as set forth in the Digital Goods and Services Tax Fairness Act as introduced in the 116th Congress preserves state
sovereignty as the decision to tax digital commerce or not remains solely with the states; and

WHEREAS, the Mobile Telecommunications Sourcing Act (P.L. 106-252) established uniformity in sourcing mobile telecommunications services for state and local tax purposes using similar concepts to those contained in the Digital Goods and Services Tax Fairness Act as introduced in the 116th Congress; and

WHEREAS, the National Conference of State Legislatures for nearly two decades has championed the efforts in Congress and in the states and has worked with members of the Download Fairness Coalition to develop the principles contained in the legislation and is poised to assist states as needed in complying with the federal legislation; and

NOW, THEREFORE, BE IT RESOLVED, that the National Conference of State Legislatures urges Congress to pass legislation that provides a framework for the taxation of digital goods and services consistent with NCSL principles to establish a national framework providing certainty and uniformity for state and local governments in the taxation of digital goods and services, while protecting consumers from multiple and discriminatory taxation and supporting the continued growth of the digital economy.
NCSL supports:

- Federal stakeholders providing states with flexibility in making strategic TANF policy decisions to design their own programs in accordance with their communities’ specific needs,

- the concept that individuals receiving public assistance should be engaging in efforts towards self-sufficiency,

- regulations that authorize states to deem compliant individuals with disabilities who fail to meet the work threshold or activity standards which TANF requires,

- permitting states to determine if individuals applying for Social Security Income (SSI) meet the SSI threshold for an exclusion from the work rate calculations because they are unable to work prior to a Social Security Administration (SSA) determination,

- providing assistance to needy families so that children can be cared for in their own homes or in the homes of relatives,

- continuing to allow Maintenance of Effort (MOE) requirements that are flexible for the use of funds in any manner “reasonably” calculated to achieve TANF’s statutory purpose,
excluding individuals unable to work due to temporary disability and ineligible from SSI from the work rate calculation, and

- allowing states options to collaborate and contract with religious organizations for family assistance services, within the boundaries of state and local laws.

NCSL urges federal partners to:

- Continue to provide full financial support for the TANF block grant, and the contingency fund, which provides additional financial support for qualifying states during an economic downturn, and

- Support the success that states have had with proven strategies to get welfare recipients into unsubsidized jobs in the private sector.

NCSL opposes:

- Federal regulatory actions that would limit state flexibility, constrain state policy choices or leave states facing financial penalties for not meeting federal work participation rates,

- Congressional proposals to reduce the welfare block grant in TANF, related block grant and welfare program, and

- The preemption of state authority, or mandates on states as they compromise the spirit of the state-federal partnership.

**Individual Development Account (IDA)**

NCSL supports:

- Federal efforts to provide incentives for the creation of Individual Development Accounts (IDAs) as a tool to promote financial self-sufficiency that complements
state efforts to reform welfare and to support working families’ efforts to move out of poverty,

- changes in the federal tax code that would expand opportunities for IDAs including a tax credit for financial institutions that participate with matching funds and for private entities that invest in nonprofits that administer IDAs, and
- Examining and eliminating barrier in the TANF program, including those associated with the Cash Management Improvement Act, to simplify the administration of IDAs.

Inflationary Adjustment
NCSL urges federal partners to consider an inflationary adjustment to the overall TANF block grant. An inflationary adjustment would enable states to respond to the increased demand for non-cash assistance, economic uncertainty and any emerging expectations of welfare reform. NCSL would oppose any imposition of an MOE requirement as a condition of receipt of funding unless the receipt of the additional funds were optional.

State Legislative Authority
A critical component of the TANF law explicitly gives state legislatures specific authority to appropriate their state’s TANF, child care, and welfare-to-work funds through the “The Brown Amendment.” NCSL strongly supports maintaining this language.

Rewarding Work and Reducing Poverty
NCSL believes that work is a critical component of welfare reform and federal law should support state efforts to create a continuum of self-sufficiency. Federal policy should facilitate and inform and encourage state-based and/or community and local comprehensive strategies.
NCSL supports:

- The current work requirement, that after 24 months, all families should be engaged in work, as defined by the state, but NCSL urges the administration to make the following changes in the work participation rates:

- eliminate the work participation standard states must meet that requires a higher work participation standard for the two-parent portion of their assistance caseload, which will help strengthen families by removing a barrier to marriage,

- Allow states to count all recipient work effort including:
  
  - Providing states greater flexibility to define what activities count as work, such as, job training and preparation, education and treatment for alcohol and other substance use disorders, and mental illness, and activities to meet the requirements of a domestic violence plan,
  
  - retaining the 30-hour work participation rate as the standard,

  - continuing to provide states credit for those who leave welfare,

  - providing states the option of including education leading to employment as part of the first 20 hours of work with the purpose of meeting state work participation rates and give states the flexibility to count post-secondary programs that lead directly to good jobs,

  - extending the time limit on post-secondary education programs from 12 months to 24 months,

  - retaining the 20-hour requirement for a parent with a child under six,

  - allowing states flexibility to define education and give credit to those engaged in Adult Basic Education and English as a Second Language,
continuing to support ability to use TANF funds for subsidized employment programs, and

permitting states flexibility to define sanctions for noncompliance with welfare rules including work requirements.

**Time Limits**
When a parent is working, and receiving benefits, states should have an option to extend or exempt these workers and their families from the federal time limits.

NCSL supports:
- Providing states flexibility to determine their own time limits,
- distinguishing cash support from non-cash support and separating housing from other forms of assistance,
- examining how the SSI and SSDI programs can better coordinate with the TANF program,
- allowing states to decide to maintain separate state programs under MOE or segregate their MOE spending in an existing program with greater flexibility for funds and,
- maintaining the ability of states to exempt 20 percent of their caseload, as defined by the state, from federal time limits.

**Data Collection and Reporting Requirements**
NCSL opposes:
- The establishment of a national error rate for TANF and Child Care and Development Block Grant (CCDBG) programs under the Improper Payments Act.
The National Conference of State Legislatures (NCSL) urges the federal government to consult with state elected officials, their national representative organizations and existing interstate partnerships in developing a federal program. As Congress and the administration examine proposals for reducing greenhouse gas emissions, NCSL encourages the federal government to always take the following principles into account:

- Federal action should be flexible, allowing for a range of complementary strategies at the state and federal level maintaining a strong role for state, local and tribal government in any federal action.
- Federal legislation should provide states the authority and flexibility to work within an overall framework; to apply the law effectively to all sources of emissions and ensure achievement of climate change goals in the most cost effective, timely and efficient manner for each state.
- Federal legislation should not preempt state or local governments from enacting policy options that differ from federal choices or from enacting stricter or stronger measures within their jurisdiction.
- Federal legislation should afford states the flexibility to form regional cooperatives and implement innovative policies that advance federal efforts to reduce the effects of climate change.
- Congress must authorize and appropriate sufficient funds for federal, state and local governments to implement any federal legislation. These funds should be newly authorized appropriations, not reprogrammed resources.
- Federal legislation should ensure state legislative authority in any federal climate change legislation and affirm the active role played by state legislatures in both fiscal and substantive aspects of state policymaking.
Federal legislation providing for the allocation of greenhouse gas reduction programs to states should include language making decisions related to such allowances subject to state legislative approval.

NCSL urges the federal government, should it choose to act on this issue, to take into account the following principles regarding program design components:

- Any national system must include short, medium and long-term goals and incorporate a rigorous oversight program that provide for ongoing study and analysis of the system to ensure it is achieving intended goals.
- A new national program should serve to address uncertainties that are hampering investment in generation, transmission and distribution and enhance the likelihood that appropriate technologies will be developed and other solutions implemented so as to achieve the desired reductions in greenhouse gas (GHG) emissions in the most economical manner possible.
- Federal legislation should be designed appropriately to balance competing criteria, including, but not limited to, equity, economic efficiency and ease of administration.
- Revenue derived from a greenhouse gas reduction program should be directed to complementary policies focused on mitigating climate change consumer costs including but not limited to energy research & development, weatherization, conservation and energy efficiency activities.
- A national program to reduce GHG emissions must also address adaptation issues.
- Auctioning of allowances may be the most economically efficient mechanism for achieving a GHG emissions reductions goal. However, the allocation of emissions allowances at no cost can serve as an appropriate transition measure necessary to ensure continued reliability, minimize economic dislocation resulting from the carbon intensity of the existing infrastructure, and allow for development and deployment of needed new technologies and measures to reduce emissions.
• Priority distribution of allowances at no cost should be to those entities in affected sectors where existing regulatory structure provides the necessary oversight to ensure that the value of such allowances is accounted for in establishing price rates for consumers.

• The allocation of GHG reduction program to states under a federal GHG reduction program should include language making decisions related to such allowances subject to state legislative approval.

• The establishment of any new federal program should include provisions for transparent reporting and accountability and incorporate the use of third-party verification to ensure reported outcomes are verifiable.

Unintended Consequences

NCSL believes that federal legislation regarding the reduction of greenhouse gases should take into account the implications of actions and/or inactions on economic development, energy security, and those most vulnerable citizens. Evaluation should include the life cycle impacts of policy options including ancillary impacts.

NCSL believes that federal legislation should require continuing assessments of the potential impacts to the United States of climate change, by state or region including effects on water resources, agriculture, infrastructure, natural systems, environmental quality, public health, biodiversity and the cultures of our native peoples. Such an assessment will support the development of domestic and international adaptation-mitigation strategies. The Environmental Protection Agency (EPA) should provide funding and assist states in developing assessments and adaptation plans at the state and regional level.

NCSL also urges the federal government to fully consider how legislation will affect low-income households that already struggle to balance needs and expenses. NCSL encourages the federal government to expand and enhance long-term funding for the Department of Energy’s Weatherization Assistance Program and to ensure that any new
federal program does not undermine existing federal, state and private sector energy assistance and outreach programs that assist our most vulnerable citizens.

**Research and Development**

NCSL strongly urges the federal government to authorize and appropriate funding and provide other incentives to spur expanded research and development (R&D), as well as advance the demonstration and deployment of new and existing technologies to improve energy efficiency, advance mitigation strategies and reduce GHG emissions.

NCSL urges the federal government:

- To ensure that legislation not limit the diversity of technologies supported, as future advancements cannot be predicted.
- To take into account state and regional differences, and not limit or specify the technologies used in each state and ensure sufficient flexibility for each State to determine how to best achieve nationally-set goals.
- To promote current and future innovations and expand the use of such technology through R&D transfer agreements with other countries.
- To promote policies and procedures to increase natural carbon sequestration of CO2 that will include sustainable timber harvesting, control burns, reseeding and rehabilitation of natural and introduced grassland plants.
COMMITTEE: NATURAL RESOURCES AND INFRASTRUCTURE

POLICY: NATIONAL ENERGY

TYPE: DIRECTIVE

The National Conference of State Legislatures urges the federal government to continue working cooperatively with state, local, and tribal governments to develop, implement and maintain an expansive, integrated, environmentally-sensitive and cost-effective national energy policy.

Principles
NCSL believes the following principles should guide the federal government’s development and implementation of a national energy policy:

- Promotion of the most efficient and economical use of all energy resources.
- Promotion of energy conservation and efficiency and the development and use of alternative and renewable energy supplies.
- Promotion and provision of incentives for the development and optimal use of all energy resources and new facility infrastructure.
- Assurance that various domestic energy sources are continually developed, maintained and stored to prevent supply emergencies and promote energy independence.
- Consideration and assessment of environmental costs and benefits for all energy resources, fuels and technologies in rendering legislative, regulatory and market decisions regarding energy production and use.
- Provision of an affordable and reliable energy supply for all citizens.
- Examine the feasibility of, and where feasible, promote statewide or regional minimum storage level requirements for heating oil for states dependent on this fuel.
- Specification and balancing of clear lines of local, state and federal regulatory authority.
• Promotion of continued investments in electric power grid infrastructure to make it more efficient and resilient and recognize the value of the electric power grid as an asset that must be maintained, improved and supported by all of those who use and operate the grid.

• Development of both short- and long-term strategies to provide adequate energy supplies, efficient utilization of those supplies and optimum cost effectiveness.

• Promotion of the education of school-age children regarding energy resources, consumption, conservation, and production and regarding environmental protection, safety and risks in energy production.

• Assurance of expanded energy research and development and broadening of the citizenry’s access to energy-related information.

• Assurance of participation of state and local officials in the development and implementation of a national energy plan and strategy.

• Avoidance of mandates, particularly unfunded mandates, upon state and local governments as well as avoidance of pre-emptive federal laws in developing a national energy policy.

Implementation

NCSL believes development of a national energy strategy by the federal government should contain at a minimum these components:

• An assessment and forecast of our nation’s energy future and its impacts.

• An evaluation and ranking of short and long-term energy options available to the nation.

• An evaluation of possible energy futures which provide greater benefits to our citizens.

• The development of recommendations for energy options and energy futures that the nation should pursue, with the establishment of national targets or goals.

• An evaluation and recommendation of implementation mechanisms including, but not limited to, incentives, technical assistance, educational programs, regulatory standards or guidelines to achieve the targets or goals.
• Considers energy sources based on the lowest cost, cost benefit analysis, revenue loss, cost to consumers, reliability, and environmental or other impacts. Additionally, energy policy alternatives that would improve our energy security without imposing significant new costs, while balancing the need for environmental protection, should be implemented.

• A coordinated effort between state and federal government in the development of producing a national energy policy where the federal government consults closely with state legislatures, devising mechanisms to bring state legislatures into the energy decision-making process as full participants on a continuing basis and ensuring the inclusion of representatives of the legislative branch of state government in all state-federal working groups dealing with energy policy.

**Conservation and Energy Efficiency**

NCSL supports a national energy policy that promotes energy efficiency in a variety of ways including both setting and strengthening policies as technologies improve while recognizing the significance of economic costs on various segments of the population including rural areas. NCSL supports the use of:

• Corporate Average Fuel Economy Standards for automobiles and light duty trucks, including sport utility vehicles and minivans.

• Energy efficiency provisions in model building codes (including lighting efficiency standards and weatherization).

• "Whole-building" and life cycle costing approaches to construction and retrofitting that integrate energy efficiency technologies and practices.

• Home appliance and heating and cooling unit efficiency standards.

• Waste recycling and reduction standards for industrial manufacturing.

• Standards for conservation in electrical production and supply including cogeneration.

• Use of alternative energy.

• A national transportation policy that emphasizes various modes of transportation, including passenger rail and transit, as well as promoting energy efficiency.
New Source Review Program (NSR)
NCSL urges the Environmental Protection Agency (EPA) to reform the NSR program to achieve improvements that enhance the environment and increase production capacity, while encouraging efficiency, fuel diversity and the use of resources without weakening the requirements intended to reduce emissions from new or modified sources of air pollution. Routine maintenance, repair or replacement activities which are not major modifications should not trigger NSR requirements.

Government Support for Renewable Energy and Energy Efficient Products and Industries
NCSL believes that the federal governments’ leadership role in the purchase and use of new energy efficient and renewable energy technologies and products should be expanded and supports federal incentives for consumers to purchase energy efficient products. The federal government should continue to establish incentives for energy efficient fleet procurement industries and manufacturers of energy efficient products as well as continue to encourage the use of innovative financing technologies to increase energy efficiency in buildings such as performance contracting and long-term leasing and purchase agreements for energy efficient products. All government-owned buildings should make use of economical energy conservation programs, demonstrating state of the art efficiencies whenever possible.

Renewable Energy
NCSL believes that as part of a national energy policy the federal government should recognize a spectrum of renewable energy resources including, but not limited to geothermal, hydropower, biomass, wind, photovoltaics and solar. Further, the federal government should institute a long-range, stable Renewable Energy Development Program which identifies and supports development of renewable energy sources from research and development through demonstration projects and commercialization in a cooperative effort among industry, higher education, and national laboratories.
NCSL recommends that:

- Federal action should be flexible, allowing for a range of complementary strategies at the state and federal level maintaining a strong role for state government in any federal action.
- Federal legislation should provide states the authority and flexibility to work within an overall framework that affords states the ability to choose from a range of options & apply the law effectively in the most cost effective, timely and efficient manner for each state.
- Federal legislation should not pre-empt state governments from enacting stricter or stronger measures within their jurisdiction.
- Congress must authorize and appropriate sufficient funds for state and federal governments to implement any federal legislation. These funds should be newly authorized appropriations, not reprogrammed resources.

Energy Emergency Preparedness

NCSL believes that the federal government should support and enhance energy emergency preparedness in order to reduce the potential impact of petroleum supply disruptions.

A national energy emergency preparedness program should include the following principles:

- Initial efforts should focus on strategies to reduce the nation’s dependence on foreign oil to avoid future emergencies.
- Voluntary conservation is preferred to mandatory measures, wherever possible.
- When any mandatory responses are required, they should be phased in, beginning with the least stringent measures, with gasoline rationing reserved for only the most severe shortage.
• Minimize undue hardships on states and regions heavily dependent on motor vehicle transportation with rationing allotments and allocation plans based on state and regional needs and strategies rather than national averages.

• Priority shall be given to home heating needs including home heating oil and propane, provided homes are adequately insulated.

NCSL believes changes need to be made at the national level by the federal government to ensure that the country has sufficient, affordable supplies of energy, by encouraging more efficient use of energy to reduce U.S. reliance on foreign oil. As such, federal investments in both energy efficiency and research in developing new and alternative energy technologies should figure significantly in a national energy policy.

**Coal**

NCSL believes the federal government should support the efficient, responsible production and utilization of the United States vast resources of coal, as the largest reserves of any nation in the world, and the strategic global economic advantage it provides.

• Provide continued support for Clean Coal Technology research, in partnership with the private sector. Such support, through additional research and technology development in clean coal usage, should include work in pre-combustion, combustion, post-combustion, and coal conversion areas with desulfurization efforts a top priority.

• Jointly address transboundary environmental issues with Canada and Mexico.

• Continue to support the acid rain program of the Clean Air Act of 1990 that phases in reductions in emissions from coal burning power plants.

• Seriously consider coal gasification as an alternative to the use of coal in a conventional manner.

• Concurrently reclaim and restore mined lands to an environmentally appropriate condition.
• Consider the effects on local infrastructure needs and the costs of prime farmland protection and land reclamation in the development of a national coal program.

• Accelerate the financing of activities under the abandoned mine reclamation fund and a federal commitment to reclamation should be strengthened.

• Avoid adopting federal policy that has implications for land development or management without accommodating the laws and policies of affected states.

**Crude Oil**

NCSL believes the federal government should promote and encourage domestic production of crude oil in an efficient and environmentally sound manner in order to both supply United States consumers with a secure source of petroleum as well as provide a stabilizing influence on the global price of crude oil. As such, the extraction and transportation of crude oil must be done only with safeguards for the protection of the environment. The federal government should consider incentives for domestic exploration, maintenance of stripper wells, but excluding other extractions, and technological research for methods of enhanced oil and gas recovery that are environmentally safe and in accordance with state policy as well as an increase in research and development in the area of new energy generating technologies including but not limited to biofuels, electric cars, fuel cells, hybrid engines, and alternative fuels particularly for transportation.

The federal government should manage United States imports by diversifying import suppliers, pursuing a Pan American Energy Alliance with Western Hemisphere producing nations, and expanding a dialogue with suppliers worldwide.

**Natural Gas**

NCSL believes the United States should encourage domestic production of natural gas in an environmentally sound manner. The federal government should adopt legislation
that funds and authorizes states to assume a more prominent role in the regulation of pipeline safety. A partnership with the federal government will enhance the safety of pipelines and the protection of residents by decreasing the risk of pipeline accidents.

**State Primacy in Regulation of Oil and Gas and Production Wastes**

Since oil and gas exploration and production occur in several different states in distinct regions, NCSL believes that primary responsibility for the regulation of used oil and of oil and gas exploration and production wastes is best handled by the affected state to accommodate site-specific conditions and environmental considerations should not be preempted by federal legislation or regulation. As such, NCSL supports the continuation of exempting used oil and waste generated in oil and gas exploration and production from classification as hazardous waste under the Resource Conservation and Recovery Act (RCRA).

**Revenues from On-Shore and Outer Continental Shelf Drilling**

The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et. seq.), requires 50 percent of the revenues from federal on-shore drilling is paid to the state in which the lease is located and ensures that state legislatures shall direct the use of these funds.

- NCSL supports the state legislatures’ role in the appropriation of these funds.
- NCSL opposes any effort by Congress or the Administration to reduce the revenue share paid to states in an effort to off-set federal expenditures on a temporary or permanent basis.

NCSL does not support or oppose additional exploration or production on the Outer Continental Shelf (OCS). However, to the extent that mineral extraction occurs, Congress is urged to:

- Authorize and appropriate 50 percent of the Outer Continental Shelf (OCS) revenues to the states.
- Ensure the state legislatures' participation in the appropriation of these funds.
• Provide state lawmakers the flexibility to target these funds to their respective state's natural resource priorities.
• OCS revenue sharing with the states should be in addition to and not replace other Federal funding programs.
• Preserve state authority to impose moratoriums on or allow for mineral exploration, development and production activities on the OCS.
• Lift federal fees charged to states for use of sand, gravel and shell resources taken from the OCS for use in beach nourishment and other coastal erosion mitigation activities.
• Give states full review of development and production of mineral resources on the OCS.

Nuclear

NCSL believes that,

• The federal government should recognize that nuclear energy generates an essential share of the nation’s clean, non-emitting, zero carbon baseload electricity.
• The Nuclear Regulatory Commission (NRC) should provide strong, independent oversight of all commercial nuclear plant operations, including plant licensing (both license extensions, where appropriate, and over the ongoing construction of new reactors) and used fuel and radioactive waste management, transportation and disposal, to ensure public health and safety. The rigorous NRC safety review process already employed in certifying new reactor designs should be maintained as additional designs are considered.
• The federally-supported public-private partnership that is pursuing the design, development and licensing of Small Modular Reactors should focus on maximizing the economic development and positive trade balance potential of this emerging technology. The federal government should assist the ongoing efforts of various states to establish U.S. leadership in this promising market.
• A federal government program for the long-term treatment and disposal of used nuclear fuel and high-level radioactive waste, already funded by nuclear utility ratepayers, should be pursued with the highest priority given to the safe reprocessing or transportation of waste and to the safety and technical suitability of storage or disposal sites. Such a program should be developed in full consultation with all of the affected states.

• Meaningful and effective state participation is necessary in public safety planning and transportation of commercial used nuclear fuel and high-level waste.

• The recommendations of the Blue Ribbon Commission on America’s Nuclear Future appropriately comport with the longstanding position of NCSL in favor of a path forward for used fuel. In particular, NCSL favors: creation of a public-private partnership to manage the back end of the nuclear fuel cycle; assurance that ratepayer contributions to the Nuclear Waste Fund be available solely for their intended purpose; establishment of one or more NRC-licensed centralized interim used fuel storage facilities in willing host communities and states (with consultation of all state, local and tribal officials and other interested parties).

• States must continue to have the right to monitor operating conditions at nuclear power plants, waste storage and disposal facilities, and to exercise regulatory authority where consistent with federal law.

• Federal funding should complement private sector investments in the areas of waste management technologies, nuclear fusion, and plant retrofit and life extension.

• The tax treatment of federal decommissioning funds should be updated to ensure that existing funds are treated in the manner intended by the tax laws and to reflect new business conditions.

**The Electric Power Grid**

NCSL believes that the federal government should promote policies which recognize that:
• Reliable electricity supply depends in part upon modernization of the electric power grid, and that in order to meet current and future demands for electricity, investments in the electric power grid will need to be made.

• Electric power grid investments funded wholly or in part by retail ratepayer dollars should be just and reasonable, and properly balance the needs of all consumers, as well as the needs of electric utilities and grid operators.

• Electric power grid investments provide benefits to consumers. NCSL recognizes the potential for electric power grid investments to provide for a more resilient power system, increase operational efficiencies, increase electric grid reliability, reduce outages, reduce outage restoration time, improve power quality, reduce peak demand, improve overall system efficiency, provide consumers with new information and tools to voluntarily control their own energy costs, integrate an increasingly diverse set of energy resources and enable economic growth and innovation.

• Electric utilities are responsible for ensuring that electric power grid technologies are deployed in a manner consistent with reasonable and effective cyber and physical security best practices. Systems should be designed to mitigate risks and enhance the resiliency of the electric power grid, and preserve the accuracy, integrity and privacy of data.

Electricity

NCSL believes that the federal government should promote

• Energy efficiency and conservation to lower the demand for electricity.

• The development of sources of electric energy that are sufficient to meet national needs, secure from external threat, reliable in availability and delivery, safe relative to people and the environment, and efficient for use in homes, businesses, industries, and as an alternative vehicular fuel.

• The implementation of aggressive efficiency and conservation programs are implemented.
• Legislation that recognizes the tremendous regional diversity, especially with regard to capacity of the electricity sector

Public Benefits/Environment:
NCSL believes that:

• States should maintain the authority to require public benefits programs on a nondiscriminatory basis, including those that support reliable and universal service, energy efficiency, renewable technologies, research and development, and low-income assistance. Additionally, existing federally sponsored public benefits programs should be maintained in a restructured market and electric industry restructuring should be consistent with any federal environmental laws, including the Clean Air Act.

• Implementation of federal legislation that fails to recognize market mechanisms inevitably penalizes one region or state or another and that mandate programs are counter to the concept of restructuring, which encourages the efficiencies of market competition.

• As states are in the best position to evaluate market force considerations, Congressional legislation should not limit, through the use of mandates or otherwise, state flexibility in addressing market mechanisms in electric restructuring plans.

• The federal government should encourage nontraditional energy production and the federal government must maintain and increase its commitment to cost effective energy conservation and efficiency while maintaining adequate and reliable energy. As such, power providers, equipment and appliance manufacturers, and consumers should be given legislative and regulatory incentives to promote these goals.

Consumer Protection and Education:
NCSL believes that:
• The federal government should assist states to ensure the safety, reliability, quality, and sustainability of services be maintained or improved, and that all consumers have access to adequate, safe, reliable, and efficient energy services at fair and reasonable prices, as a result of competition.

• States should retain the authority, with the assistance of the federal government as needed, to protect consumers from anticompetitive behavior, undue discrimination, poor service, market power abuses, and unfair service practices.

• States should maintain their authority to establish or require comprehensive consumer education and outreach programs to minimize public confusion and provide information so consumers are able to make informed choices and participate effectively in a restructured market.

Regulatory Authority

As state regulatory bodies are close to consumers, utilities, industries, and concerned for state environmental and economic well being they are in the best position to evaluate consumer needs, and address questions relative to fuel choice, economic development implications, and system reliability.

NCSL strongly supports and urges the continuation of the state legislative oversight for the approval and siting of all major energy conversion facilities, subject to minimum federal standards established only after the fullest consultation with state governments, both executive and legislative branch. State authority over the siting of energy facilities should not be preempted by federal law.

NCSL acknowledges the need for a robust national transmission system that can support new technology and allow for additional power production to be brought onto the grid. NCSL urges Congress to allow provisions included in the 2005 Energy Policy Act relating to state authority of liquefied natural gas terminal siting to be implemented and studied before any attempt is made to expand the preemption to further limit the state role in siting of these energy infrastructure components. NCSL opposes any such
expansion of these provision but urges Congress at a minimum to allow for the complete implementation of the new standards before re-addressing the issue.

**Research and Development**

NCSL believes that the cornerstone of a national energy policy should include a broad research and development component. Specifically, federal government research and development funds for clean coal, nuclear research, basic science and related efforts ought to be continued. However, these efforts should be supplemented with increased long-term incentives and federal funding for research and development projects emphasizing emerging technologies, including, but not limited to, renewable resources, energy conservation, efficient use of energy, alternative fuels, oil and gas recovery, superconductivity, and fuel cell technology and should be designed to encourage private sector participation with federal and state representatives. NCSL urges Congress to provide explicit recognition in the Internal Revenue Code that sustainable energy (conservation, efficiency and customer sited renewable) is a private activity serving a public good.

**Renewable Energy R&D Market Support**

NCSL encourages federal development of alternative technologies that improve renewable energy efficiencies, cut costs, and assist in integrating renewable energy into existing energy systems. The implementation of federal standards for the deployment of these new technologies should not undermine established programs at the state level to integrate these resources into existing energy systems. NCSL also believes in the need for a translation and distribution system for international technical and marketing papers on renewable energy and that the U.S. should strive for excellence in the use, manufacturing and marketing of renewable energy resources and technologies.

**Wave Energy and Tidal Energy**
NCSL strongly believes that the federal government should increasingly encourage all forms of renewable energy, including avenues of renewable energy that are not currently in the forefront; specifically wave energy, wave farms, and tidal energy.

NCSL requests that the federal government demonstrate global leadership and:

- Recognize the importance of wave energy and tidal energy to the future of the United States;
- Support the research and development of advances in wave energy and tidal energy technology, including the ability to tow and set up the equipment in the oceans through loan guarantees, grants and tax incentives;
- Research and create a “Wave Hub,” or similar infrastructure necessary for integrating wave- and tidal-energy production facilities into the national grid; and
- Encourage the demonstration and deployment of wave energy and tidal energy beyond the limited scope of R&D to ensure competitive and equitable access for wave- and tidal-energy projects and provide a fair opportunity to supply the nation with a reliable and renewable energy.

Education and Information

NCSL believes that it is essential that the federal government work to ensure that the nation, including its elementary and secondary school-age children, are fully aware of energy use and costs, production processes, alternative energy resources, the importance of energy efficiency and conservation and the impact energy usage has on our environment. NCSL recommends that the federal government initiate, expand and appropriately fund public and private sector education efforts.

The federal government should promote both energy conservation education and fund research into conservation technologies while federal funding of energy conservation programs, including grants to states, should be enhanced. Such efforts should emphasize that significant economic and environmental benefits can be achieved through increased efficiency and conservation.
NCSL also believes that an essential step in formulating a balanced energy policy is to develop the necessary data and employ analytical methods and models to assess the efficiency, productivity costs and risks of the various energy choices available to the nation. As such, NCSL recommends the development of this analytic base by the Department of Energy, with assistance from the Departments of Defense, Treasury and State, and the Office of Management and Budget, in conjunction with the states.

Transportation

NCSL believes that national transportation strategies must include public policy initiatives directed at broadening the efficient use of our energy resources. As such, federal policy initiatives should include, but not necessarily be limited to:

- Incentives and adequate funding for mass transit, high speed rail, magnetic levitation and other emerging transportation technologies.
- Fuel economy standards; and other market incentives for improving the energy efficiency of automobiles and light trucks.
- Procurement policies favoring efficient vehicles.
- The encouragement of public-private partnerships.
WHEREAS, the Land and Water Conservation Fund (LWCF) was initially established in 1965 to protect and enhance important land, water and recreation areas; and

WHEREAS, the primary source of funding for the LWCF comes from a portion of federal revenues generated from offshore drilling, authorized at $900 million each year; and

WHEREAS, the LWCF supports the protection of federal public lands and waters, including national parks, forests, wildlife refuges, and recreation areas, as well as voluntary conservation on private land; and

WHEREAS, the LWCF provides grants to states, including grants for the acquisition and development of public parks and other outdoor recreation sites, grants to protect and conserve the habitat of threatened and endangered species, and grants to protect environmentally sensitive forest lands; and

WHEREAS, the LWCF has protected natural resources, enhanced the outdoor recreation industry which supports 7.6 million jobs and generates $887 billion in annual consumer spending, spurred state investment and economic development, and assisted with the promotion of healthy lifestyles and efforts to connect youth to the outdoors; and

WHEREAS, the LWCF has protected land in every state and supported over 41,000 state and local park projects; and

WHEREAS, historically, over half of LWCF intended funds have been diverted for other, non-conservation purposes; and
WHEREAS, the LWCF was recently permanently reauthorized, however, funding was not made permanent; and

WHEREAS, fully funding LWCF will ensure that the benefits provided by the LWCF will continue as intended; and

NOW, THEREFORE, BE IT RESOLVED, that the National Conference of State Legislators urges the President of the United States and Members of Congress to act to pass and sign into law the Land and Water Conservation Fund Permanent Funding Act, and

BE IT FURTHER RESOLVED, that copies of this resolution be immediately transmitted to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress.
WHEREAS, habitat loss, wildlife diseases, invasive species, pollution, and the impacts of climate change pose significant threats to fish and wildlife species; and

WHEREAS, over 1,600 United States’ native species are federally protected under the Endangered Species Act and estimates suggest one in five native species is at risk of extinction; and

WHEREAS, State Wildlife Action Plans have identified nearly 12,000 Species of Greatest Conservation Need (SGCN), including federal and state endangered and threatened species and other rare and at-risk fish and wildlife species; and

WHEREAS, current funding is far below what is necessary to conserve the species most at-risk; and

WHEREAS, the Blue Ribbon Panel on Sustaining America’s Diverse Fish and Wildlife Resources recommended that up to $1.3 billion a year of existing revenue from energy and mineral resources development on federal lands and waters be redirected to the Wildlife Conservation Restoration Program; and

WHEREAS, the Recovering America’s Wildlife Act would provide the additional funding, providing state wildlife agencies the money necessary to accelerate implementation of State Wildlife Action Plans; and

WHEREAS, the additional funding will help states to address at-risk wildlife before they require protection under the federal Endangered Species Act which can be more costly and disruptive.
NOW, THEREFORE, BE IT RESOLVED, that the National Conference of State Legislators urges the President of the United States and Members of Congress to act to pass and sign into law the Recovering America’s Wildlife Act, and

BE IT FURTHER RESOLVED, that copies of this resolution be immediately transmitted to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress.