



Health organisations welcome US climate crisis law

The recently passed Inflation Reduction Act will provide billions of dollars of incentives to reduce greenhouse gas emissions. Susan Jaffe reports.

There are no emission limits or pollution penalties in the landmark Inflation Reduction Act that Congress approved in August. Instead of forcing cuts, the climate change and health-care law provides US\$370 billion worth of incentives to ratchet down the planet-warming greenhouse gases from fossil fuels that have caused record-breaking heat waves, wild fires, droughts, and floods.

The investment is the largest in US history aimed at climate change, and “will help us reduce pollution in every segment of our communities, across the economy and across the country”, said Florida Democrat Kathy Castor, Chair of the US House of Representatives’ Select Committee on the Climate Crisis. She said that independent researchers who have modelled the effect of the government subsidies found that, by 2030, the law will cut carbon pollution by 40% compared with 2005, as well as prevent up to 4000 premature deaths and 100 000 asthma attacks every year. “It will help us ensure a healthier America.”

Grants or tax rebates and credits will subsidise a wide variety of items, from replacing waste disposal trucks, school buses, and postal service trucks with electric vehicles, to planting trees and boosting production of solar panels and other clean energy alternatives. Individuals will be able to get up to \$7500 to purchase an electric vehicle and up to \$14 000 to update appliances and make other energy efficiency home improvements (panel).

The incentive-based strategy was necessary because the legislation was proposed through a budget reconciliation process so that it would need only a majority of votes to pass in the Senate, instead of a super majority of 60 votes. As a result, it had

to be confined to taxing and spending provisions that do not create new policy.

The law passed without a single Republican vote, and eked out a win in the Senate only after Vice President Kamala Harris cast the 51st vote in favour of the legislation to break a tie. Senator Joe Manchin, a conservative West Virginia Democrat, was persuaded to support the law only after provisions were added to expedite approval for a gas pipeline and other fossil fuel projects. Independent Vermont Senator Bernie Sanders, a progressive who usually votes with the Democrats, criticised the apparent contradiction: “If we are going to make our planet healthy and habitable for future generations, we cannot provide billions of dollars in new tax breaks to fossil fuel companies that are destroying the planet. On the contrary, we should end all of the massive corporate welfare that the fossil fuel industry already enjoys.”

In the end, Sanders and other progressives supported the law even if, in their view, it was imperfect: “It falls far short of what the American people want, what they need, and what they are begging us to do”, Sanders said, shortly before voting in favour. “It is the only opportunity that we have to do something significant for the American people that requires only 50 votes”, he continued. “This is an opportunity that must not be squandered.”

The law also authorises Medicare officials to negotiate some drug prices directly with manufacturers and extends Affordable Care Act premium subsidies for 3 more years. It also contains measures to control inflation, requires a 15% minimum tax on large companies, and hires more

Internal Revenue Service workers to crack down on corporate tax cheats. President Joe Biden signed it into law on Aug 16, fulfilling popular campaign pledges on drug prices and climate change just 3 months before national mid-term elections in November. A victory celebration will be held at the White House on Sept 6.

For more on the drug price provisions see [World Report Lancet 2022: 400: 551–52](#)

Panel: Some programmes funded by the Inflation Reduction Act’s climate change provisions

For consumers

- Rebates for low-income consumers who purchase electric home appliances and make other energy efficient upgrades: \$9 billion
- Tax credit for lower and middle income individuals to buy used electric-powered vehicles (\$4000) and up to \$7500 tax credit for new vehicles
- Grants to make affordable housing more energy efficient: \$1 billion
- Environmental justice investments for disproportionately affected communities: \$60 billion

For industry

- Tax credits to accelerate production of solar panels, wind turbines, and batteries: estimated \$30 billion
- Loans to build new electric vehicle manufacturing facilities: \$20 billion
- Grants and tax credits for reducing pollution from large industrial sites, including chemical, steel, and cement plants: \$6 billion
- Aid to underserved farmers, ranchers, and forest landowners in high poverty areas: \$2.9 billion
- Support for “climate-smart” agriculture practices: \$20 billion
- Grants to support the domestic production of biofuels: \$500 million

For government

- Grant and loans for states and electric utilities to accelerate the transition to clean electricity: \$30 billion
- Grants for fire-resilient forests, forest conservation, and urban tree planting: \$5 billion
- Zero-emission vehicles for the US Postal Service: \$3 billion
- Grants to reduce air pollution at ports: \$3 billion
- Grants to conserve and restore coastal habitats and support nearby communities: \$2.6 billion
- Clean school and transit buses, waste disposal trucks, and heavy goods vehicles: \$1 billion
- Clean energy technology accelerator: \$27 billion



The Washington Post

“Climate slush funds”

Senator John Thune, a South Dakota Republican, ridiculed the clean energy spending as “climate slush funds”. During the Senate debate on the legislation, he said the money would be used for things such as helping wealthy Americans “remodel their kitchens with Democrat-approved green appliances”. He also criticised the use of funds to plant trees to patch holes in the tree canopy, and argued that Congress should instead help Americans struggling to pay high grocery bills and fuel prices.

According to a White House fact-sheet, consumers will save thousands of dollars a year by taking advantage of clean energy and electric vehicle tax credits, and rebates for energy-saving home appliances and installing solar panels on their homes. Local governments that convert to clean energy sources will also be eligible for tax rebates. Tampa, one of the largest cities in Florida, is expected to save \$1 million when it purchases solar panels for just one community centre, said Castor. “This is going to put money back into everyone’s pockets.”

People of colour and those with lower incomes will see both financial and health benefits, said Dr Georges Benjamin, Executive Director of the American Public Health Association. Many live in urban and less economically developed areas that retain heat and have little green

space. They spend a larger percentage of their income on electricity bills, so using more energy-efficient appliances and weather-proofing their homes will reduce those costs, and federal dollars will help pay for such improvements.

“Lower income individuals and minorities in particular, are disproportionately impacted by climate change”, he said. They also tend to live in older homes and may lack the resources to make repairs and quickly recover following a severe storm. “We still have people in Texas living under those little blue tarps after the storms there almost 2 years ago”, he said. “So anything that we do that moves us to a more energy-efficient environment will offset that disproportionate impact.”

Environmental justice

The Inflation Reduction Act also provides nearly \$60 billion for communities that have been disproportionately affected by toxic hazards and the consequences of climate change. That figure includes nearly \$3 billion for what it calls “environmental and climate justice block grants” for “disadvantaged communities” that have been badly affected by toxic chemical pollution. According to the law, the money must be used for “community-led air and other pollution monitoring, prevention, and remediation, and investments in low- and zero-emission and resilient technologies and related infrastructure and workforce development that help reduce greenhouse gas emissions and other air pollutants”. The grants also target prevention and mitigation of “climate and health risks from urban heat islands, extreme heat, wood heater emissions, and wildfire events... and reducing indoor toxins and indoor air pollution”. Groups eligible for the grants include Native Americans, local governments, universities, and community-based non-profit organisations.

“Additional air monitoring, especially close to pollution sites will be crucial for protecting the respiratory health of those most impacted by the pollution”, said Raul Garcia, Legislative Director for Healthy Communities at Earthjustice, an environmental legal advocacy group. Data reported to the US Environmental Protection Agency (EPA) by polluting companies may not always be accurate, he said. So empowering communities to collect actionable data will help the EPA set new pollution limits or enforce existing standards, he said.

These provisions “will have a positive influence on communities that bear the brunt of the consequences of climate change and fossil fuel production”, said Jake Assael, Policy Coordinator for the Environment and Health Program at Physicians for Social Responsibility, which focuses on climate change and nuclear threats. The group will be monitoring distribution of the grants to make sure “that money is going towards projects that will make a meaningful difference in those communities”, he said.

But Brian Miller, a physician and non-resident fellow at the American Enterprise Institute, said the law funds the wrong things. It helps the green energy industry but it is too soon to predict how public health will be affected. “We should be focused on helping people directly in their everyday lives, especially in a high-inflation environment”, he said.

Benjamin said rebates on energy-efficient appliances will kick in at the point of sale and that tax credits will occur when people file their tax returns. “And you should see the return on your energy bill pretty quickly”, he said. The challenge for policy makers in the upcoming mid-term elections will be to remind the public who created these programmes. “Even those who voted against the law will go back home and take credit for it”, he said. “We’ve seen that kind of hypocrisy before.”

Susan Jaffe