## **An Economic Perspective**

## Is President Trump's Climate Change Policy an Oxymoron?

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November 2012, Donald Trump tweeted that "the concept of global warming was created by and for the Chinese in order to make U.S. manufacturing noncompetitive." With normal candidates and presidents, tweets should not be taken as signs of likely public policies, but Trump followed up during the campaign with his repeated pledge to reverse all of President Obama's actions on climate change.

This included canceling U.S. participation in the Paris Agreement, as well as abandoning the Clean Power Plan, a mainstay of the Obama administration's approach to achieving its emissions reduction target for carbon dioxide under the climate accord.

If we take Trump at his word (a risky strategy, perhaps), he wishes to pull the country out of the Paris pact. But because the agree-

ment has come into force, any party must wait three years be-

fore requesting to withdraw, followed by a one-year notice period.

A delightful irony is that the reason why it came into force so quickly (less than one year after being negotiated in Paris, whereas it took five years for the 1997 Kyoto Protocol to come into force) is that countries rapidly ratified it to achieve the required threshold, precisely in order to prevent a possible Trump administration from immediately withdrawing. The United States is now part of the agreement for a minimum of four

In theory, the new administration could try to bypass the four-year delay by taking the one-year route of dropping out of the overall United Nations Framework Convention on Climate Change — signed by President George H.W. Bush and ratified by the Senate in 1992. But that

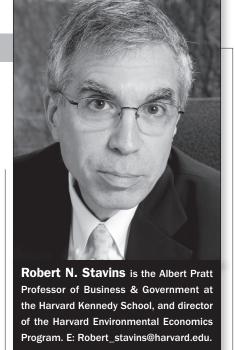
could require a two-thirds vote of the Senate, would be challenged in the courts, and would be unwise in the extreme.

On the other hand, the Trump administration can simply disregard America's pledge in the Paris Agreement to reduce carbon dioxide emissions by 26 to 28 percent below the 2005 level by 2025. The greatest concern is what other key countries, including the world's largest emitter, China, as well as India and Brazil, will do if the United States reneges on its pledge. The result could be that the Paris Agreement unravels, taking it from the current 97 percent of global emissions associated with participating countries to little more than the European Union's 10 percent.

> At home, President Trump's Environmental Protection Agency is stopping work on regulations of methane emissions (a very potent greenhouse gas) from exist-

ing oil and gas operations. But undoing existing regulations, including the Clean Power Plan, will be more difficult. However, a reconstituted Supreme Court will help the president when and if the plan comes before the Court. Also, the president has asked that the Keystone XL pipeline permit application be renewed, and a positive decision from the administration will be forthcoming.

Trump has promised to "bring back" the coal industry by cutting environmental regulations. That will not be easy, indeed it is probably impossible. The decline of that industry and related employment has been caused largely by technological changes in mining and competition from low-priced natural gas for electricity generation, not by environmental regulations. Trump has also pledged to promote fracking for



oil and gas, which will make natural gas more economically attractive and accelerate the elimination of coal-sector jobs. The inconsistency of these claims — indeed, the internal contradiction — is striking.

This assessment is clearly not positive, so let me close with some good news. First, there are a number of federal "climate change policies" that have been bipartisan and are therefore much less likely to be repealed, such as appliance efficiency standards, as well as the recently extended wind and solar tax credits.

Second, there should be much less worry about the president and Congress weakening existing environmental laws, since such attempts would almost certainly be met with a filibuster from Senate Democrats, and the Republicans with their slim 52-48 majority are a substantial distance from a filibuster-proof total of 60 votes.

Third and finally, there are a myriad of subnational climate change policies, ranging from AB-32 in California to the Regional Greenhouse Gas Initiative in the Northeast. They are not going away, and may be strengthened.

Despite this moderately good news, the reality is that if he lives up to his campaign rhetoric, Trump may indeed reverse course on climate change policy, increasing the threat to the planet and in the process destroying much of the Obama legacy in this realm.