An Economic Perspective

Will the Trump Administration Realize the Many Benefits of Paris?

Business leaders make

decisions based not

on ideology but on

available evidence

fter 20 years of international climate change negotiations, a breakthrough came with the Paris Agreement, which increased participation from countries accounting for just 14 percent of global emissions under the Kyoto Protocol to countries accounting for 97 percent of the worldwide total.

Contrary to some claims, China, India, Brazil, South Korea, South Africa, Mexico, and other large emerging economies do have obligations under this new approach. Far from being a "bad deal" for the United States, the Paris Agreement is the answer to U.S. prayers going back to the Senate's bipartisan, unanimous

1997 resolution rejecting the Kyoto approach and calling for an agreement that includes not only industrialized countries but the large emerging econ-

omies as well. That is precisely what the Paris Agreement delivered.

A pivotal moment was at hand earlier this year. That prompted Ban Ki-moon, secretary general of the United Nations from 2007 to 2016, and me to co-author an op-ed, which appeared in the Boston Globe in April. We noted that President Trump's earlier executive order which had specified plans to roll back the Obama administration's climate policies was completely silent on the Paris Agreement, reportedly reflecting disagreements among the president's closest advisers.

During the presidential campaign last year, Trump said he would "cancel" the accord. But because it had already come into force, parties must wait three years to request withdrawal, followed by a one-year notice period. The United States thus is part of the agreement for the next four years. Any White House announcement to pull out of the pact would have no direct effects for this presidential term.

In theory, the president could try to bypass that 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 would be unwise in the extreme, as the United States would then be the only nation among 197 countries in the world not to be part of the climate convention. At a time when the United States wants cooperation from a diverse set of countries around the world on matters of national security, trade, and a host of

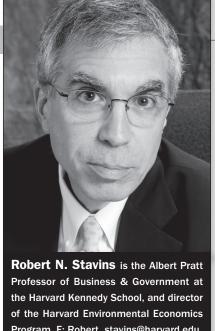
other issues, it would be counterproductive to willingly become an international pariah on global climate change.

Key voices in the administration argued

for remaining in the Paris Agreement. Secretary of State Rex Tillerson stated that it is better for the United States to be at this table of ongoing negotiations, and, more broadly, Secretary of Defense James Mattis said in congressional testimony that he viewed climate change as a national security threat.

Support for the accord was broadbased within private industry — from electricity generators such as PG&E and National Grid, to oil companies such as Exxon-Mobil and Shell, mining companies such as Rio Tinto, and manufacturers such as General Motors. Even some of the largest coal producers, such as Cloud Peak Energy and Peabody Energy, told the president about their support for remaining in the agreement. This broad support was due to a simple reality leaders of successful businesses make decisions based not on ideology but on available evidence.

There was, however, also opposi-



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tion from some especially vocal coal industry executives, and the president seems to have shaped his domestic climate policies around their interests, with his repeated pledge to "bring back coal." But the job losses in coal mining over the past decades have been due to technological change, and, more recently, low natural gas prices, not environmental regulations.

Staying in the Paris Agreement would not prevent the administration from seeking to revise the Obama target of a 26 percent reduction in emissions below 2005 levels by 2025, an approach recommended by Republican Representative Kevin Cramer of North Dakota. However, energy-related emissions are already down 14 percent below 2005, so the existing pledge may not need to be reassessed.

Also, state climate policies in California, Oregon, Washington, and the Northeast will remain and likely be strengthened. And just since Election Day, Republican governors in Illinois and Michigan have signed legislation to increase solar and wind generation. At the federal level, wind and solar tax credits continue to receive bipartisan support in Congress.

Considering the diverse set of considerations that should bear upon the United States' decision, we find the arguments for the country remaining in the Paris climate agreement to be both multifaceted and compelling.