

The Paris Accord and Climate Change

The President has announced that he will withdraw the United States from the Paris Accord, which entered into force November 4, 2016. According to Article 28 of the Accord, the U.S. must wait three years from the November 4, 2016 date to make written notification that it will withdraw from the Accord. The United States then must wait at least an additional year from the date of this written notification to leave the Accord.

Hence, given these conditions written into the Accord, U.S. voters awaiting the 2020 presidential election will have the opportunity to decide as a major political issue what actions the United States should take about the Paris Accord and climate change.

The President's announcement of his intention to withdraw from the Paris Accord generated substantial criticism from G-20 national leaders during their last meeting July 7-8 2017 in Hamburg, Germany. Those leaders, other than the US President, have indicated unanimous support for implementing the Paris Accord. The leaders of the European Union and China state they will move ahead with plans to implement the Accord, whether or not the United States remains a signatory.

The Paris Accord states as one of its objectives "holding the increase in the global temperature to well below 2 degrees C above the pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees C above pre-industrial levels". This wording was negotiated in recognition that the Earth (and its present and future populations) will undergo profound and insupportable warming, further acidification of the oceans, and significant sea level rise threatening the world's coastal communities unless the world's greenhouse gas emissions are brought under control.

Texas and Louisiana experienced hurricane Harvey and its aftermath, a huge tropical storm producing unprecedented rainfall and flooding. This extraordinary storm is causing enormous cost to people lives, and to industry concentrations in the Houston area, including to the U.S. petroleum industry refineries, production from wells on and offshore, and the chemical industry. The very warm waters of the Gulf of Mexico, a phenomenon directly attributable to the warming of the Earth's atmosphere and subsequent transfer of that heat to the oceans, was probably an important contributing factor to this massive storm. (Harvey Leonhardt, a columnist in the NY Times reported that the daily surface temperature in the Gulf last winter never dropped below 73 degrees, which has never happened before.)

Within days of Harvey's overwhelming impact on Texas and Louisiana, Florida and Caribbean island nations are seeing the arrival of Irma, a category 5 hurricane with winds reported up to 185 mph. The financial demands on the private sector and the federal, state, and local governments to cope with the aftermath of these two extreme weather events are already changing the calculus of budgets and resources available to address the nations capacity to manage the national debt, update US crumbling infrastructure, consider tax reform or the President's priority to cut taxes, and provide relief for those suffering from these weather events.

Climate change is becoming a front burner issue, fueled by the magnitude of Harvey and Irma which have claimed the nation's attention. The media (TV, newspapers, and magazines) now contain daily articles, comments, and extensive coverage about weather in the U.S. and around the world. Increasingly, American readers are now reminded that 16 of the last 17 years (the 21st century) are the hottest on record, with 2014, 2015, and 2016 progressively setting records as the hottest year ever recorded. The world and its political leaders will see what 2017 will bring.

During the next few years of the President's term, and based on recorded events over the past years, the world's climate scientists predict the world will experience additional extreme weather events that will impact people's lives and economies. Projections include hurricanes, typhoons, and cyclones with commensurate sea surges and/or flooding, droughts destroying capacity for agriculture production and creating more world refugee problems, coastal populations experiencing invasion from the seas, and continued melting of Greenland's ice sheets, and danger signals from Antarctica. Just a few months ago, the world witnessed a part of the Antarctica Larsen C ice shelf breaking off (a piece as large as Delaware) and floating out to sea, which would permit faster movement of its land based glaciers to speed up their movement to the sea, and thus accelerate dangerous sea level rise.

Is there a chance, given the extraordinary impact of Harvey and whatever Irma is bringing, that the President's will revisit his view that "climate change is a hoax" and revise his intention to withdraw from the Paris Accord? It might happen, given his penchant for leaving his options open to the last minute, in this case 3-4 years off, and pressures he will be facing in the interim. Presumably, politics will come into play. Factors that might influence the President's decision over the remaining years of his term in office to stay in or leave the Paris Accord include the following:

- Extreme weather events such as Hurricanes Harvey and Irma, and flooding in south Asia that have a huge economic, financial and humanitarian impact on the U.S. and other countries;
- US allies in the G-20, and other countries including China, India, Brazil, Indonesia and smaller developing countries continue to pressure the President to participate;
- Alliances of many US States and city governments have already announced their intentions to continue their initiatives to address GHG emissions, with or without federal government support;
- Business leaders, including the major energy companies from the cross-section of fossil fuels , renewable and efficiency industries, continue to endorse the Paris Accord and press the President to participate in the Paris Accord;
- Non-governmental organizations, especially those with strong ties and commitments to environmental issues, are strongly and vocally in support of the Paris Accord, and critical of the President for his position on climate change;

- Potential voters oppose withdrawal. Polls indicate that 70 - 75% or more of Americans believe climate change is happening. In addition, the President's base never made a big issue for the US to leave the Paris Accord;
- The carbon tax dividend discussed below would prove popular to everyone.

There is increasing congressional interest and bipartisan support for some version of a carbon tax to rely upon market based signals to address US greenhouse gas (GHG) emissions, as an alternative to withdrawal, or administrative action. The Conservative Case for Carbon Dividends, is a Climate Leadership Council (GLC) proposal from republican leaders that is receiving attention.

The Carbon Dividends Plan is based on four pillars: (i) a gradually rising and revenue-neutral carbon tax; (ii) carbon dividends for all Americans, with the proceeds returned to the American people on an equal and quarterly basis via dividend checks; (iii) border carbon adjustments for the carbon content of both imports and exports which would protect American competitiveness and punish free-riding by other nations; and (iv) significant regulatory pullback with the elimination of regulations that would no longer be necessary upon the enactment of a steadily rising tax.

Leaders in the GLC urging adoption of the carbon dividends approach include former Secretaries of State James Baker and George Shultz, leading economists Martin Feldstein and N. Gregory Mankiw, Henry Paulson, Secretary of the Treasury in the George Bush administration, Rob Walton from the Walmart family, Thomas Stephenson from the private sector, and Ted Halstead, who founded the GLC. Exxon Mobil, BP, Royal Dutch Shell, and Total S.A. publicly endorsed the GLC proposal in June, 2017, along with major corporations such as General Electric, Proctor & Gamble, Unilever, Johnson & Johnson, and PepsiCo.

In a bipartisan op-ed, Secretary Schultz, former Secretary of State in a Bush administration and Lawrence Summers, Secretary of the Treasury under President Obama, wrote a powerful endorsement "The Inevitable Climate Solution" published in the Washington Post on June 19, 2017 in support of the carbon tax proposal. Urging approval, they stated that "the Treasury Department estimates that the bottom 70 per cent of Americans would be better off with a carbon dividend plan in a direct sense".

The op-ed essay from Mr. Shultz and Mr. Summers concludes with this perhaps visionary projection: "Our experience is that the transition from the inconceivable to inevitable can be surprisingly rapid".

Stephen Klein:UAA 7 September2017