



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
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## Consequences of the “America Second” Approach and the Paris Agreement

THE ADMINISTRATOR

- The Paris Agreement is a bad deal for America in two primary ways: *first*, by frontloading costs for the American people to the detriment of our economy and job growth; and *second*, by extracting meaningless commitments from top global emitters.
- The Obama Administration made a promise to reduce U.S. emissions 26 to 28% below 2005 levels by 2025. Industry groups and environmentalists agreed this commitment was “unachievable.”<sup>1</sup>

**Undermines U.S. Competitiveness and Jobs:** A recent report<sup>2</sup> assessing the overall impact of higher energy costs found over the next decade, United States involvement in the Paris Agreement would result in:

- An aggregate U.S. gross domestic product (GDP) loss of over \$2.5 trillion.
- An overall annual average shortfall of nearly 400,000 American jobs, including an average manufacturing shortfall of over 200,000 jobs; and
- A total income loss of more than \$30,000 for a family of four.

**Green Climate Fund:** The Green Climate Fund (GCF) is the key funding mechanism of the Paris Climate Agreement. The beneficiaries are small, developing nations. The fund is slated to grow to \$100 billion by 2020.

- The Green Climate Fund currently has \$10.13 billion contributed from 43 governments.<sup>3</sup>
- Obama Administration unlawfully committed \$3 billion to the Green Climate Fund, which is approximately 30% of the initial funding.<sup>4</sup>

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<sup>1</sup> US Senate EPW Committee Hearing, “Road to Paris: Examining the President’s International Climate Agenda and Implications for Domestic Environmental Policy,” July 8, 2015, available at:

<https://www.epw.senate.gov/public/index.cfm/hearings?ID=99E70038-D5CB-4E63-8695-231AB995D089>

<sup>2</sup> Heritage Foundation, “To Save American Jobs, Leave the Paris Agreement Now,” March 20, 2017, available at: <http://www.heritage.org/jobs-and-labor/commentary/save-american-jobs-leave-the-paris-agreement-now>

<sup>3</sup> Green Climate Fund, “Contributors,” available at: <http://www.greenclimate.fund/partners/contributors/resources-mobilized>.

<sup>4</sup> OECD “2020 Projections of Climate Finance Towards the USD 100 Billion Goal” (2016) available at: <https://www.oecd.org/environment/cc/Projecting%20Climate%20Change%202020%20WEB.pdf>

- Organisation for Economic Co-operation and Development (OECD) estimates that by 2020 \$67 billion will be raised from public financing (private funding is expected to make up the rest).
- At current commitment levels, the U.S. would commit \$18 to \$20 billion.
- China will contribute \$0.<sup>5</sup>
- India will contribute \$0.<sup>6</sup>
- Russia will contribute \$0.<sup>7</sup>
- Days after the Obama Administration unlawfully submitted its initial contribution of \$500 million, the Green Climate Fund announced it would increase the number of permanent staff by 150% - from 56 to 140 positions.<sup>8</sup>
  - The second unlawful installment was made on January 17, 2017.

**Clean Power Plan and other costly climate regulations:** The Obama Administration pledged to reduce US GHGs 26-28%. To satisfy his promise, it developed a host of domestic actions that would raise energy costs, undermine the U.S. economic competitiveness, and impede job growth. The centerpiece was the Clean Power Plan, which was projected to do the following:

- Cost of Compliance: \$292 billion over 10 years
- Result in double digit electricity price increases in 40 states.
- Cost over 125,000 American jobs.
- Produce modest environmental benefits undone by a few days of emissions from China.
  - 14 days of dioxide reductions (CO<sub>2</sub>) emission from China would offset the CO<sub>2</sub> emissions achieved in 2030 -- the final year of the CPP.

**Set-up to Fail:** The Obama Administration commitments set the United States up to fail as the 26-28% emission rate reductions by 2025 are not achievable, which environmental groups and industry agree. There was a 40% gap in meeting the emission reduction with the Clean Power Plan. Without the CPP, the methane rule for oil and gas, the gap is over 60%.

- Below highlights the effect of President's Trump Energy Independence Executive Order on the Obama-era commitments.

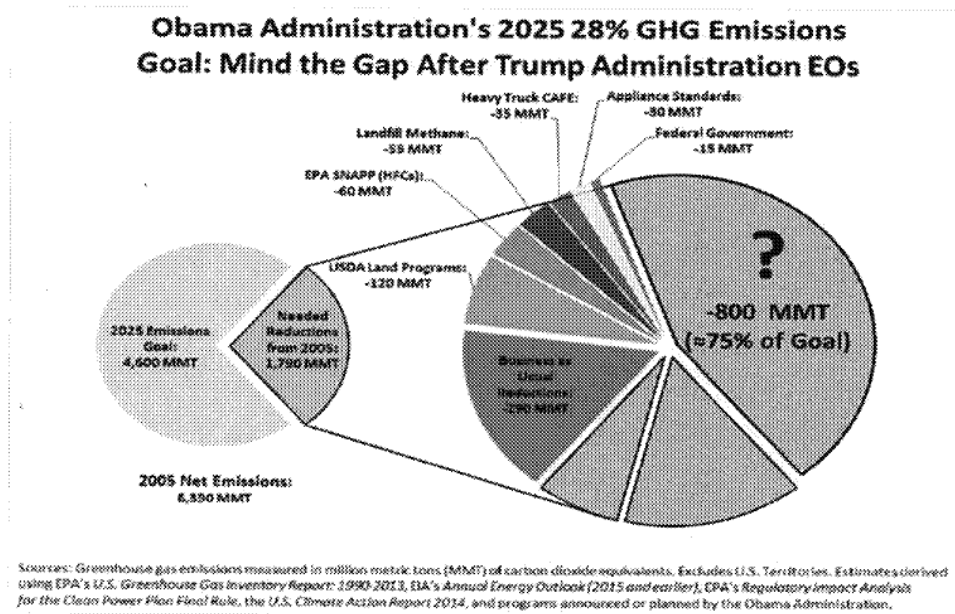
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<sup>5</sup> Id.

<sup>6</sup> Id.

<sup>7</sup> Id.

<sup>8</sup> CNS News, "Days After \$500 Million US Contribution, U.N. Green Climate Fund Increases Staff by 150%," March 14, 2016, available at: <http://www.cnsnews.com/news/article/patrick-goodenough/>.



**Not an opportunity to renegotiate or back-slide on current commitments:** Paris Agreement parties are required to submit a new commitment every five years starting in 2020 reflective of the “ratcheting up” provision that requires commitments to be more ambitious than the previous submission. There is no provision that allows for reduced commitments.